MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23-_____ Docket No. MME- 6117

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- [ ] Withdrawn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
- [x] Cost Audits 7-9-62
- [x] Termination ~~Notice or~~ Agreement 3-6-62
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes 6-30-61
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [x] Work Completed Analysis (final) 8-31-62
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab) 3-27-62
- [x] Operator's Final Report (Tab) Nov.-Dec. 1961 voucher*
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 6-12-61
- [ ] Settlement Sheets
- [ ] Drill Logs

*See R-II memo July 3, 1962

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

52615

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Aetna Springs Mine
Howard Hot Springs
Middletown, California

pertaining to Exploration Contract 14-25-090-2127, OME No. 6117, for July 1961 to December 1961, inclusive, covering a mercury project at the Aetna Springs Property, Napa County, California.

My review included an examination of the Monthly Reports (MME Forms 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reason that:

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$4,684.80
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$4,684.80

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$2,342.40
Paid to date	2,342.40
Balance due Operator	$ -0-

July 9, 1962

E. D. Talbert, OME Auditor

Contract 2127 Aetna Springs Mine OMB-6117

Acceptable costs:

Bulldozing	3½ hrs.	@ $12.00	$ 42.00
Rotary drilling	1,203 ft.	@ 3.80	4,571.40
Core drilling	8 ft.	@ 8.30	66.40
Mercury Assays	1 ea.	@ 5.00	5.00
			$4,684.80

Government's Copy

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

TERMINATION AGREEMENT

It is agreed this 6th day of March, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Aetna Springs Mine, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2127 (Docket No. OME-6117), dated June 30, 1961, hereinafter called the "Contract," that:

1. Effective February 1, 1962, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date and, thereafter, shall contribute only to allowable costs incurred in performing winding-up and settlement actions provided for in the Contract, including the making and rendering of reports and accounts.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the furnishing to the Government of five copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnich
Director, Office of Minerals Exploration

Seller 3/1
Brown
App'd. Sol. Off.
Holt
Talbert
Johnson

AETNA SPRINGS MINE

By Elio R. Giusti

Title Owner - Geologist

February 26, 1962

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

JUSTIFICATION FOR TERMINATION

Because the 11 holes drilled under the contract failed to intersect mercury mineralization of commercial grade, the Operator feels that it would be a waste of time and money to drill the 12 remaining holes authorized under the contract and, accordingly, requests that the contract be terminated.

The Acting Field Officer, Region II, by memorandum of January 29, 1962, recommends that the contract be terminated, with the further recommendation that certification is not justified.

Considering that termination of this contract prior to completion of the work is in the interest of the Government, a mutual termination agreement, effective February 1, 1962, has been prepared.

S. P. Holt

S. P. Holt, Mining Engineer
Division of Minerals

Government's Copy

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6117	Mercury	14-23-090-2127	Napa	California

It is agreed JUN 30 1961 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Aetna Springs Mine, a partnership consisting of Elio R. Giusti and Robert Gary Baker

whose mailing address is Howard Hot Springs, Middletown, California, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 11, 1961 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $17,640.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $8,820.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 5 ~~4~~ percent 5 3/4% shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interest of Lessors and Lien of the United States under Exploration Project Contract No. Idm-E1155 (Docket No. DMEA-4777), dated November 19, 1957, as amended.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Lien or Subordination Agreement dated June 28 ~~1961~~ 1961, signed by George B. Heibel and Ruth V. Heibel.

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14

~~ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

AETNA SPRINGS MINE
(Operator)

By Elio R. Giusti
Elio R. Giusti, Partner

~~Xxxx~~ By Robert Gary Baker
Robert Gary Baker, Partner

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

App'd. Sol. Off.
Holt
Talbot
Linnell
Selfridge
Johnson
Brown

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract, is outlined in blue color on Figure 1, entitled "Aetna Springs Mine Property, Napa County, California," attached to and made a part of the contract.

The land comprises one (1) patented lode mining claim, consisting of 82.62 acres described in Patent to Valley Mining Company, dated August 11, 1877, recorded April 30, 1887, in Book C of Patents, page 476, records of Napa County, California, also known as the Aetna Mineral Springs property, situated in secs. 1, 2, 11, and 12, T. 9 N., R. 6 W., M.D.M., Pope Valley, Napa County, California.

The Operator controls the above land under the terms of a lease executed February 1, 1960, and Amendment to Lease executed June 3, 1961. Lien or Subordination Agreement executed by George B. Heibel and Ruth V. Heibel is attached to and made part of the contract.

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator Aetna Springs Mine
Docket No. OME - 6117
Contract No. 14-23-090- 2127
Contract Date JUN 30 1961

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Napa, State of California, described as follows: 2/ 82.62 acres described in Patent to Valley Mining Company, dated August 11, 1877, recorded April 30, 1887, in Book C of Patents, page 476, records of Napa County, California, also known as the Aetna Mineral Springs property, situated in secs. 1, 2, 11, and 12, T. 9 N., R. 6 W., M.D.M., Pope Valley, hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and Aetna Springs Mine, a partnership consisting of Elio R. Giusti and Robert Gary Baker 3/ hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

Lien of the United States under Exploration Project Contract No. Idm-E1155 (Docket No. DMEA-4777), dated November 19, 1957, as amended, granted by Consent to Lien and Subordination Agreement of the undersigned dated February 2, 1958.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No. ____".)

Dated this 28 day of June, 1961.

Geo. B. Hubel (Seal)	Aetna Springs (Street) Napa Co. Cal (City & State)	
~~Aetna~~ (Seal)	(Street) (City & State)	
Ruth V. Hubel (Seal)	Aetna Springs (Street) Napa Co., Calif. (City & State)	
(Seal)	(Street) (City & State)	
(Seal)	(Street) (City & State)	
(Seal)	(Street) (City & State)	

PLEASE SIGN HERE

I, ~~Mr.~~ Mr. & Mrs. Hubel (Name), certify that ~~I am~~ we are the owners (Title—Secretary, etc.) of the ~~corporation~~ Property named herein; that Mr. & Mrs. Hubel (Name), who signed this agreement ~~was~~ were then owners (Title—Pres., Vice-Pres., etc.) of said ~~corporation~~ Property; that said agreement was duly signed for and in behalf of said ~~corporation~~ Property by authority of its governing body, and was within the scope of its corporate powers.

Geo. B. Hubel
(Corporate Seal)

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

95181

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

EXHIBIT A

The maps attached to and made part of the contract are as follows:

Figure 1. Aetna Springs Mine Property, Napa County, California.

Figure 2. Elio R. Giusti, Aetna Springs Mine, Napa County, California, Proposed Rotary Drill Holes.

The objective of the project is to explore for mercury on the Aetna Springs Mine Property by means of rotary drilling and diamond core drilling from surface to intersect the mercury-bearing mineralized zones.

General Conditions

Holes shall be drilled with size 2-3/8-inch or larger bicone rotary bits, except that where necessary to complete a hole, size AX or larger diamond coring bits may be used. Holes shall be reamed and cased, or cemented and redrilled where necessary. All core shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples assayed for mercury.

Samples of cuttings from rotary drilling and sludge samples from diamond core drilling shall be taken. In addition to assaying the samples of core sections, the cutting samples from significantly mineralized areas in rotary drilling, and the sludge samples from diamond drilling where the core recovery is less than 60 percent, shall also be assayed. No sample, either of core or cuttings or sludge, shall represent a hole interval greater than 5 feet.

All samples to be assayed shall first be split and one-half made available to the Government.

All drill holes shall be logged geologically and copies of logs of completed holes, together with maps showing drill hole locations and sections, shall be furnished monthly to the Government.

A competent geologist-supervisor shall be employed full time, directing the drilling and sampling, compiling and evaluating data for section maps and logging of drill holes, and providing the Government with full and current information on all work.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government shall not participate in the cost of incomplete holes.

The locations, directions, and depths of all drill holes shall be subject to approval of the Government.

The bulldozer used for the preparation of drill sites shall be not less than D-6 size or similar size of another make.

Description of the Work

Stage I

Prepare drill sites as necessary. It is estimated that not to exceed 10 hours of bulldozing will be required for this work.

Drill 15 vertical holes, designated Nos. 1 to 15, inclusive, in approximate positions indicated in red color on Figure 2, to approximate depths indicated. Estimated aggregate total depth of the 15 holes is 2,175 feet, of which it is estimated 150 feet may be diamond core drilling.

Stage II

Prepare drill sites as necessary. It is estimated that not to exceed 3 hours of bulldozing will be required for this work.

Drill 8 vertical holes, designated Nos. 16 to 23, inclusive, in approximate positions indicated in green color on Figure 2, to approximate depths indicated. Estimated total aggregate depth of the 8 holes is 2,000 feet, of which it is estimated 150 feet may be diamond core drilling.

Locations of holes Nos. 16 to 23, inclusive, are subject to change with the approval of the Government, as indicated by results of drilling under Stage I.

Estimated Costs of Project

Fixed Unit Costs

Stage I

Bulldozing to prepare drill sites, 10 hours @ $12.00/hr.	$ 120.00	
Rotary drilling, 2,025 feet @ $3.80/ft.	7,695.00	
Diamond core drilling 150 feet @ $8.30/ft.	$1,245.00	
Core boxes, 10 @ $1.00/each	10.00	
Assays for mercury, 25 @ $5.00/each	125.00	
Total Stage I		$9,195.00

Stage II

Bulldozing to prepare drill sites, 3 hours @ $12.00/hr.	$ 36.00	
Rotary drilling, 1,850 feet @ $3.80/ft.	7,030.00	
Diamond core drilling, 150 feet @ $8.30/ft.	1,245.00	
Core boxes, 9 @ $1.00/each	9.00	
Assays for mercury, 25 @ $5.00/each	125.00	
Total Stage II		$8,445.00
Total Estimated Cost of the Project		$17,640.00
Government Participation @ 50%		$8,820.00

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Fumich	7-10	GC
2. Mr. Johnson	7/10	FG
3. ~~Mr. Selfridge~~		
4. Mr. Griswold Mr. Hoch	7/10	S.P.H.
5.		
FROM: E. D. Talbert	7/10	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommendations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

DRAFT

SPH
4.10.61

REPORT ON EXPLORATION ASSISTANCE APPLICATION

Applicant: Elio R. Giusti
Howard Hot Springs
Middletown, California

OME-6117 (Mercury)

Dated: March 15, 1961

Location: Napa County
California

Received: April 4, 1961

Name of Property: Aetna Springs Mine

1. Proposed Exploration and Estimated Cost

The Applicant proposes exploration as follows:

(a) Bulldozing, 25 hours, to prepare drill sites.

(b) Drilling, 5,150 feet in 29 holes, using 2 3/8 inch bi-cone rotary bits, holes to be completed, where necessary, with size AX diamond coring bits.

Total cost of the work, as estimated by Applicant	$25,000
Government participation @ 50% *	12,000 *

* If new regulations are approved, rate will be 75%, and the amount of the Government's participation will be $18,750.

2. Financial Eligibility

A - Bank letters declining a requested loan were submitted from the American Trust Company, Polk-California Office, San Francisco, California, Bank of America, Lower Lake, California, Bank of America, St. Helena, California, and First Western Bank, Laurel Branch, San Francisco, California. Letters to the four banks were in identical terms, stating that the applicant was planning a series of drill holes to explore at depth a very promising outcrop of mercury-bearing silica-carbonate rock at the Aetna Springs mine, the program to cost $20,000, of which the Aetna Srings mine was trying to raise $10,000. Amount of loan requested was $10,000, on a two year note, bearing interest at 7%, total amount due at maturity. The American Trust Company declined the loan, unless the applicant could provide suitable collateral. The Bank of America, St. Helena Branch, said it was unable

to extend the requested credit due to the speculative nature of the venture, adding that the only way the credit could be extended was on a fully secured basis, such as pledge of common stock, acceptable to the bank, in a ratio of $1.00 advance for each $2.00 of collateral. The Bank of America, Lower Lake Branch, replied that it could make the loan only if the applicant could provide the necessary security to cover it, and from its interview with the applicant it found he did not possess that requirement. The First Western Bank stated it could not grant the loan at that time. If conditions changed in the future it would be very happy to discuss the matter again.

B - Since the dates of the letters to the banks, all October 31, 1960, do not fall within the stipulated 90-day period previous to the date of the application, March 15, 1961, and do not fully comply with other requirements, the Applicant should be requested to re-apply to two banks for the loan, stating the amount requested, terms offered, and proposed use of loan funds, providing them with a recent financial statement showing assets, liabilities and net worth of the applicant.

3. Reviews:

OME Engineer -- Stephen P. Holt -- April 10, 1961.

The Applicant controls by lease from the owners, George B. and Ruth V. Heibel, 1,500 acres of land near Middletown, Napa County, California, including the Aetna Springs mine area of about 82.62 acres. Copies of Lien and Subordination Agreements, signed by the owners, and covering the Aetna Springs mine area, were submitted with the application.

The Aetna Springs mine is an old one, previous work having been done on the property by the Valley Quicksilver Mining Company, incorporated in 1867. The California State Mineralogist, in his report for the years 1885 and 1886, reported that a 125 foot shaft had been sunk, badly located in the bed of a

creek, which necessitated costly pumping. Also there was trouble from CO_2 gas seeping into the workings from rock strata. Considerable mercury ore had been mined, but due to the various difficulties the yield (cash profit?) was small.

The land offered for subordination under this project is part of the land of a previous contract, DMEA-4777, H.L.M. Mining Company, which contract was terminated by a mutual termination agreement dated August 18, 1959, after completion of Stage I work, (reportedly because of financial difficulties and disagrement between the partners.) Total cost of the work completed was $975.00, Government participation at 75% was $731.25. The interest of the Government was protected by conditional royalty agreement.

The Applicant's proposed exploration program appears to be reasonable, but perhaps overly-ambitious. A revised program comprising a Stage I to consist of fewer drill holes than the 29 proposed by the Applicant, followed, if results of Stage I work warranted, by shaft sinking and drifting somewhat as approved for Stage II of the earlier project, is suggested.

4. Action.

Request the Applicant to submit new letters to two banks requesting a loan, as outlined above, submitting to this office copies of the letters to the banks, their replies, and the financial statement. The Applicant should also be asked to clarify certain doubtful points concerning the true Applicant, corporate set-up, if any, and to submit at least one more bid for drilling, if possible.

If replies to the above requests are received, and are satisfactory, refer the application to the Acting Field Officer, Region II, for consideration and a field examination if necessary.

Stephen P. Holt
Stephen P. Holt

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY O. M. E RECEIVED Apr. 4 1961		
DATE	INITIALS	CODE
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		VOO

April 3, 1961

Memorandum

To: Chief, Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region II

Subject: Application for Financial Assistance by Elio R. Giusti

We enclose three copies of an application dated March 15, 1961 from Mr. Giusti in the amount of $25,000.00 for the purpose of drilling 29 drill holes totaling 5,150 feet on the land comprising the Aetna Springs Mine and the Aetna Springs Resort in Napa County, California.

A part of this property was partially explored by the DMEA under Docket No. 4777, contract No. Idm-E1155, terminated as of August 18, 1959 because the operators (the H. L. M. Co.) were unable to complete the contract. (Refer to the Final Report by Stager and Gentry dated September 4, 1959.)

This new application includes considerable drilling within the confines of the Resort area and which was not included in contract No. Idm-E1155. I believe the area justifies additional drilling, though probably not to the extent proposed by the applicant, and recommend a field examination.

Glenn G. Gentry

GLENN G. GENTRY

Attachments 3

Copy to: OME Files, Region II

GGGentry:ap

DIAMOND DRILLING
ROTARY DRILLING

GEOLOGICAL EXPLORATION
GEOLOGIC MAPPING
RECEIVED APR 24 1961
DATE | INITIALS | CODE

GIUSTI MINING & EXPLORATION

ELIO R. GIUSTI
1012 WILDWOOD AVENUE
DALY CITY, CALIFORNIA

BALANCE SHEET 1/1/61

	DR	CR
CASH IN BANK	$ 98.51	$
DRILLING BITS ON HAND	245.00	
OFFICE SUPPLIES ON HAND	60.00	
WELDING SUPPLIES ON HAND	20.00	
AUTOMOTIVE SUPPLIES ON HAND	25.00	
PUMP SUPPLIES ON HAND	10.00	
OIL SUPPLIES ON HAND	40.50	
DRILLING SUPPLIES ON HAND	75.00	
UNEXPIRED AUTOMOBILE INSURANCE	137.20	
LABORATORY HOUSE TRAILER	711.40	
ALLOWANCE FOR DEPRECIATION LABORATORY TRAILER		520.39
LABORATORY EQUIPMENT	1700.00	
ALLOWANCE FOR DEPRECIATION LABORATORY EQUIPMENT		1200.00
STORAGE HOUSE TRAILER	250.00	
ALLOWANCE FOR DEPRECIATION STORAGE TRAILER		89.73
COMPANY AUTOMOBILE	3561.26	
ALLOWANCE FOR DEPRECIATION COMPANY AUTOMOBILE		1181.32
DRILL TRUCK	1250.40	
ALLOWANCE FOR DEPRECIATION DRILL TRUCK		448.86
WATER TRUCK	256.00	
ALLOWANCE FOR DEPRECIATION WATER TRUCK		127.80
ADVANCEMENT PAYABLE (DRILLING)		757.02
ACCOUNTS PAYABLE		501.95
EQUIPMENT CONTRACTS PAYABLE		2119.68
CAPITAL, ELIO R. GIUSTI		1493.52
	$8440.27	$8440.27

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 24 1961

DATE	INITIALS	CODE

April 18, 1961

Manager
Bank of America
Lower Lake, Calif.

Dear Sir:

The Aetna Springs Mine located near Pope Valley in Napa county, operated by Elio R. Giusti, Major Partner and Robert Gary Baker, Minor Partner, is conducting an exploration program.

We are planning a series of drill holes to explore, at depth, a very promising outcrop of Mercury bearing silica-carbonate rock. The exploration program will cost $25,000.00 and the Aetna Springs Mine is trying to raise $12,500.00 of this amount. We wish to borrow $12,500.00 on a two year note bearing interest at 7% per annum, total amount due at maturity.

As the Major Partner of the Aetna Springs Mine and as the partner with any possible collateral, I will have to accept the obligation on the loan if one is granted. Enclosed you will find a 1961 Balance Sheet of my company, Giusti Mining & Exploration.

I would appreciate an answer on this matter, giving the terms and conditions upon which you might be willing to provide the loan in question.

Sincerely Yours,

Elio R. Giusti

Major Partner, Aetna Springs Mine

Enclosure

Cable Address — BANKAMERICA

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

LOWER LAKE BRANCH • MAIN STREET • LOWER LAKE, CALIFORNIA

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 24 1961

DATE	INITIALS	CODE

April 19,1961

Aetna Springs Mine,
Aetna Springs, Napa County
California

Attn Elio R. Giusti

Gentlemen;

We have your letter of application dated April 18,1961 requesting a loan of $12,500 to be paid back over a two year period for mining exploration in your mine- The Aetna Springs Mine, located near Middletown, California.

Due to the nature of this venture we could only make this loan if it was secured by acceptable collateral, and from recent interviews with you we find that you do not possess this requirement.

Yours truly

W. H. Butler
Manager

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 24 1961

DATE	INITIALS	GONE
April 18, 1961		

Manager
Bank of America
1407 Main St.
St. Helena, Calif.

Dear Sir:

The Aetna Springs Mine located near Pope Valley in Napa County, operated by Elio R. Giusti, Major Partner and Robert Gary Baker, Minor Partner, is conducting an exploration program.

We are planning a series of drill holes to explore, at depth, a very promising outcrop of Mercury bearing silica-carbonate rock. The exploration program will cost $25,000.00 and the Aetna Springs Mine is trying to raise $12,500.00 of this amount. We wish to borrow $12,500.00 on a two year note bearing interest at 7% per annum, total amount due at maturity.

As the Major Partner of the Aetna Springs Mine and as the partner with any possible collateral, I will have to accept the obligation on the loan if one is granted. Enclosed you will find a 1961 Balance Sheet of my company, Giusti Mining & Exploration.

I would appreciate an answer on this matter, giving the terms and conditions upon which you might be willing to provide the loan in question.

Sincerely Yours,
Elio R. Giusti
Major Partner, Aetna Springs Mine

Enclosure

CAL. AAA — BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

ST. HELENA BRANCH • 1407 MAIN STREET • ST. HELENA, CALIFORNIA

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 24 1961

DATE	INITIALS	CODE

April 20, 1961

Giusti Mining & Exploration
Aetna Springs Mine
Aetna Springs, California

Gentlemen:

In keeping with your request, I am replying to your application for a $12,500 unsecured loan for a period of 2 years. It was the loan committee's decision that due to the highly speculative nature of your operation and the limited net worth of the company, that your request as outlined in your letter of April 18 could not be complied with.

Loans for operations of this type would have to be placed on a secured basis.

Very truly yours,

A. Johnson, Jr.
Assistant Manager

AJ:pb

OFFICIAL FILE COPY
OME
RECEIVED APR 4 1961

DATE	INITIALS	CODE

555 Battery Street
San Francisco 11, California

April 3, 1961

Mr. Elio R. Giusti
Howard Hot Springs
Middletown, California

Re: Your application for assistance in exploring the Aetna Springs Mine

Dear Mr. Giusti:

We have, today, received the executed Lien and Subordination agreements on the above property submitted by George B. and Ruth V. Heibel and copies of a Quitclaim deed submitted by the partners of the H. L. M. Mining Company.

As of this date, we are forwarding your application to the Washington, D. C. office of OME for review and further consideration.

Very truly yours,

GLENN G. GENTRY
Acting Field Officer, OME
Region II

Copy to: Chief, Division of Field Operations, OME
Washington, D. C.
Elio Giusti, 1012 Wildwood Avenue, Daly City, California
OME files, Region II

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

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

Elio R. Giusti
Howard Hot Springs
Middletown, Calif.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME-6117

DATE RECEIVED: 4-4-61

REGION: II

DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [ ]
- PARTNERSHIP [X]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Calif.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Elio R. Giusti	Howard Hot Springs Middletown, Calif.	Major Partner
Robert Gary Baker	829 Masonic Ave. Albany, Calif.	Minor Partner

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Mercury

ESTIMATED COST OF PROJECT: $25,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Aetna Springs Mine	Napa,	Calif.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

March 15, 1961
DATED

Elio R. Giusti
BY *(Signature)*

Major Partner and Geologist
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

DIAMOND DRILLING
ROTARY DRILLING

GEOLOGIC EXPLORATION
GEOLOGIC MAPPING

GIUSTI MINING & EXPLORATION

ELIO R. GIUSTI
1012 WILDWOOD AVENUE
DALY CITY, CALIFORNIA

October 31, 1960

Manager
American Trust Company
Polk - California Office
San Francisco, California

Dear Sir,

The Aetna Springs Mine located near Middletown in Napa County, leased and operated by Elio R. Giusti dba Giusti Mining and Exploration, is conducting an exploration program.

I am planning a series of drill holes to explore, at depth, a very promising out crop of Mercury bearing silica-carbonate rock. The exploration program will cost $20,000.00 and the Aetna Springs Mine is trying to raise $10,000.00 of this amount. I wish to borrow $10,000.00 on a two year note bearing interest at 7% per annum, total amount due at maturity.

Would appreciate an answer as soon as possible. Thank you very much.

Sincerely,

Elio R. Giusti
Elio R. Giusti
GIUSTI MINING AND EXPLORATION
AETNA SPRINGS MINE

ERG/jf
cc: 1

AMERICAN TRUST COMPANY

Banking Since 1854

COMMERCIAL · SAVINGS · TRUST

MEMBER FEDERAL RESERVE SYSTEM

HEAD OFFICE
464 CALIFORNIA STREET
SAN FRANCISCO 20

November 3, 1960

Mr. Elio R. Giusti
c/o Aetna Springs Mine
Napa, California

Dear Mr. Giusti:

We have received your letter of application requesting a $10,000 two-year loan at a rate of 7 per cent, which is to be carried flat until maturity.

Unless you can provide suitable collateral to secure this loan, we must decline this request.

Very truly yours,

Charles E. Lewis

Charles E. Lewis
Assistant Cashier

CEL:jh

DIAMOND DRILLING
ROTARY DRILLING

GEOLOGIC EXPLORATION
GEOLOGIC MAPPING

GIUSTI MINING & EXPLORATION

ELIO R. GIUSTI
1012 WILDWOOD AVENUE
DALY CITY, CALIFORNIA

October 31, 1960

Manager
Bank of America
1407 Main St.
St. Helena, California

Dear Sir,

The Aetna Springs Mine located near Middletown in Napa County, leased and operated by Elio R. Giusti dba Giusti Mining and Exploration, is conducting an exploration program.

I am planning a series of drill holes to explore, at depth, a very promising out crop of Mercury bearing silica-carbonate rock. The exploration program will cost $20,000.00 and the Aetna Springs Mine is trying to raise $10,000.00 of this amount. I wish to borrow $10,000.00 on a two year note bearing interest at 7% per annum, total amount due at maturity.

Would appreciate an answer on this matter as soon as possible. Thank you very much.

Sincerely,

Elio R. Giusti

Elio R. Giusti
GIUSTI MINING AND EXPLORATION
AETNA SPRINGS MINE

ERG/jg
cc: 1

Cable Address—BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

ST. HELENA BRANCH • 1607 MAIN STREET • ST. HELENA, CALIFORNIA

November 7, 1960

Aetna Springs Mine,
Aetna Springs, Napa County,
California

Attn: ELIO R. GIUSTI--

Gentlemen:

This is in further reference to our conversation of the fourth, at which time you requested a $10,000 unsecured loan, with a maturity of two years.

As pointed out at that time, we are unable to extend this credit to you due to the speculative nature of your venture for which these funds would be used. The only way this credit could be extended is on a fully secured basis. A pledge of common stock, acceptable to us, in a ratio of $1.00 advance for every $2.00 of collateral.

Very truly yours,

A. Johnson, Jr.,
Assistant Manager

AJ/b

DIAMOND DRILLING
ROTARY DRILLING

GEOLOGIC EXPLORATION
GEOLOGIC MAPPING

GIUSTI MINING & EXPLORATION
ELIO R. GIUSTI
1012 WILDWOOD AVENUE
DALY CITY, CALIFORNIA

October 31, 1960

Manager
Bank of America
Lower Lake, California

Dear Sir,

The Aetna Springs Mine located near Middletown in Napa County, leased and operated by Elio R. Giusti dba Giusti Mining and Exploration, is conducting an exploration program.

I am planning a series of drill holes to explore, at depth, a very promising out crop of Mercury bearing silica-carbonate rock. The exploration program will cost $20,000.00 and the Aetna Springs Mine is trying to raise $10,000.00 of this amount. I wish to borrow $10,000.00 on a two year note bearing interest at 7% per annum, total amount due at maturity.

Would appreciate an answer on this matter as soon as possible. Thank you very much.

Sincerely,

Elio R. Giusti

Elio R. Giusti
GIUSTI MINING AND EXPLORATION
AETNA SPRINGS MINE

ERG/jg
cc: 1

Cable Address — BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

LOWER LAKE BRANCH • MAIN STREET • LOWER LAKE, CALIFORNIA

November 1,1960

Elio R. Giusti
Giusti Mining and Exploration
1012 Wildwood Avenue
Daly City, California

Dear Mr. Giusti;

We have your letter of application requesting a loan of $10,000 from us to drill and explore for Mercury in the Aetna Springs Mine located near Middletown, California.

We could make this loan to you only if you could provide us with the necessary security to cover it, and from interview with you we find that you do not possess this requirement.

Yours truly

W. M. Butler
Manager

DIAMOND DRILLING
ROTARY DRILLING

GEOLOGIC EXPLORATION
GEOLOGIC MAPPING

GIUSTI MINING & EXPLORATION
ELIO R. GIUSTI
1012 WILDWOOD AVENUE
DALY CITY, CALIFORNIA

October 31, 1960

Manager
Laurel Branch
First Western Bank
San Francisco, California

Dear Sir,

The Aetna Springs Mine located near Middletown in Napa County, leased and operated by Elio R. Giusti dba Giusti Mining and Exploration, is conducting an exploration program.

I am planning a series of drill holes to explore, at depth, a very promising outcrop of Mercury bearing silica-carbonate rock. The exploration program will cost $20,000.00 and the Aetna Springs Mine is trying to raise $10,000.00 of this amount. I wish to borrow $10,000.00 on a two year note bearing interest at 7% per annum, total amount due at maturity.

Would appreciate an answer as soon as possible. Thank you very much.

Sincerely,

Elio R. Giusti

Elio R. Giusti
GIUSTI MINING AND EXPLORATION
AETNA SPRINGS MINE

ERG/jg
cc: 1

First Western Bank
AND TRUST COMPANY

Laurel Office · 3431 California Street · San Francisco, California

November 9, 1960

Elio R. Giusti
Howard Hot Springs
Middletown, Calif.

Dear Mr. Giusti:

Thank you for your recent request for an unsecured loan of $10,000.00.

I have given your request careful consideration based on the information received from you during our conversation and am sorry to say that we will not be able to grant the loan to you at this time.

If conditions change in the future, I would be very happy to discuss this matter with you again.

Sincerely,

Frank Tufo,
Manager

FT/fa

This AMENDMENT to LEASE of February 1, 1960, has been drawn up to amend paragraph sixteen of said LEASE. This AMENDMENT has been executed in duplicate by GEORGE B. HEIBEL and RUTH V. HEIBEL husband and wife, as lessor, and ELIO R. GIUSTI as lessee;

In the LEASE of February 1, 1960, paragraph sixteen read as follows;

(16) Lessor hereby covenants and agrees that he will furnish all information and execute any and all documents which will be necessary should lessee apply for Federal loans on account of the exploration and/or mining of strategic minerals, and cooperate in all reasonable manner to assist lessee in procuring said loan, without cost, however, to lessor. This lease is subject and subordinate to the loan of H. L. M. Mining Company from United States Geological Survey in the sum of $700.00 more or less, which loan shall be paid and discharged by lessee from the gross proceeds from his mining operations herein.

DMEA

Paragraph sixteen is to be amended as follows;

(16) Lessor hereby covenants and agrees that he will furnish all information and execute any and all documents which will be necessary should lessee apply for Federal loans on account of the exploration and/or mining of strategic minerals, and cooperate in all reasonable manner to assist lessee in procuring said loan, without cost, however, to lessor. This lease is subject and subordinate to the loan of H. L. M. Mining Company from the

Defense Minerals Exploration Administration. The contract work was performed under Docket No. DMEA - 4777, contract No. Idm-E-1155, of that agency. The sum due on the above contract is $700.00 more or less, which loan shall be paid and discharged by lessee from the gross proceeds from his mining operations herein.

Executed this 3rd day of June, 1961.

George B. Heibel

George B. Heibel

Ruth V. Heibel

Ruth V. Heibel

LESSOR

Elio R. Giusti

Elio R. Giusti

LESSEE

This LEASE executed in duplicate by GEORGE B. HEIBEL and RUTH V. HEIBEL, husband and wife, as lessor, and ELIO R. GIUSTI, as lessee;

IT IS AGREED:

(1) Lessor hereby leases to the lessee and lessee hires from the lessor, all that real property in the County of Napa, State of California, containing one thousand five hundred (1,500) acres of land, more or less, and particularly described in Exhibit "A" attached hereto and made a part hereof by reference thereto.

(2) This lease is given by lessor to lessee solely for the purpose of prospecting, mining, drilling, boring or digging for all and every kind or kinds of valuable mineral ore, fossil or vegetable substance whatever, with the right to use so much of the surface of the land as may be properly needed to successfully conduct said prospecting and mining operations; also the right of way over and across said land thereon to construct and operate such line or lines of railroad as may be necessary to carry on and prosecute the objects of this indenture; also the right to use existing roads and to construct and use new roads as may be necessary to carry on and prosecute the object of this indenture; also the right to erect buildings, derricks, pumping plants and retorts and other equipment, as well as any and all buildings of a temporary or permanent nature which may be necessary for the purpose of carrying on and prosecuting the object of this indenture. Provided, however, that the surface of the land shall in no way be disturbed nor any roads constructed or buildings or any other improvements erected or equipment installed within six hundred (600) feet of the Aetna Springs Resort proper upon the leased premises.

(3) The TERM shall be for ten (10) years commencing February 1, 1960, and ending January 31, 1970, unless sooner terminated in

accordance with the provisions herein contained. Conditioned upon the lessee not being in default in the performance or observance of any of the terms and conditions herein contained at the end of said ten year term, the lessee is hereby granted the option to extend the term of this lease for an additional period of ten (10) years from and after February 1, 1970, upon the same rental, terms and conditions as herein contained except that there shall be no further option to extend or renew the term, and provided further that lessee shall notify lessor in writing of his election to extend the term at least ninety (90) days before the termination of the original term hereof.

(4) Lessee shall commence exploration and prospecting or mining operations upon the leased premises forthwith upon the commencement of the term and continue such exploration and prospecting or mining operations in good faith and minerlike manner and have milling facilities in production and operation within two (2) years from the commencement of the term.

(5) If lessee fails, refuses or neglects to have said milling facilities in production and operation within the period provided hereinbefore then he shall be deemed to have abandoned this lease and the lessor thereupon may terminate the same without notice. If no ore is discovered upon the leased premises in paying quantities suitable for commercial extraction, then the lessee shall have the right to abandon the leased premises upon giving lessor written notice thereof to that effect.

(6) Lessee shall upon the discovery of ore in paying quantities commence as soon as practicable to mine and extract from said leased premises the ore located thereon and therin, using good and accepted mining methods, and shall continue such mining in good faith and in a minerlike manner with a force of men and equipment and machinery to show good faith until said ore or mineral deposits shall have been drilled out or exhausted.

lessee promises and agrees to carry on said mining in a good and economical manner so as to take out the greatest amount of ore, mineral or other substance without undue waste and with due regard to the safety, development and preservation of said premises as a workable mine. Should the lessee be prevented by reason of strikes, riots, labor disputes, fires, floods or other acts of God from entering upon the leased premises or working the same, or removing ore therefrom or selling mineral-producing ore, then and in that event any act to be performed by the lessee shall be extended as to the time of performance to the extent of any time lost by the lessee by reason of any of said causes.

(7) Lessee promises and agrees to do everything in his power not to disturb by his mining operations lessor's Aetna Springs Resort, and promises to this effect the following:

(a) As to the Aetna Springs Resort located east of the County road: Any mining operations shall be carried on underground in a tunnel at least 50 feet under the surface in order not to disturb land and buildings.

(b) As to the premises located west of the County road: Mining operations shall be carried on in such a way so as not to disturb or destroy the golf course of the lessor.

(c) As to the said Aetna Springs Resort, the lessee shall not disturb the surface of the land nor construct any buildings or improvements or install any machinery or equipment of any kind within six hundred (600) feet of said resort or the said County road.

(8) As and for full compensation for the use and enjoyment of the premises hereby leased for the purposes aforesaid, lessee agrees to pay to lessor, at lessee's election, either ten per cent (10%) of all mercury, minerals, fossil or vegetable substances taken from any of the leased premises during the term of this lease in kind, or ten per cent (10%) of the gross sales price obtained by lessee therefor. Provided, however, that the lessee shall pay to lessor on the 1st day of each and every month during the term commencing May 1, 1960, the sum of ONE HUNDRED DOLLARS ($100.00) as a minimum royalty, which shall be credited against the aforementioned percentage of gross sales price obtained by lessee for

each month following each such payment, said credits to be noncumulative.

(9) Lessee shall keep full and accurate books of account showing the amount of ore, minerals and other valuable substances extracted and sold from the leased premises and the amount of money received from such operations. Lessor is hereby given the right to inspect lessee's books of account and to do any and all other things reasonably necessary to verify the amounts and the royalties due lessor.

(10) Lessor hereby grants to lessee the right to withdraw and use water from his present artificial reservoir located on lessor's land east of the County road for the purpose of maintaining mining facilities necessary for the mining operation under this indenture. If, by such use, the quantity of water necessary for the proper conduct of lessor's resort operation is substantially impaired, lessee shall furnish to lessor at lessee's cost and expense twenty-two thousand (22,000) feet of semi-rigid plastic 3-inch diameter pipe which lessor shall be obliged to install for the replacement of existing water pipe lines. It is further understood and agreed that lessor shall at all times maintain all of the pipe line at his own cost and expense and in the event of additional or replaced pipe lines, all installations and alterations will be at lessor's sole cost and expense. In no event shall use of water by lessee after installation of said pipe impair or prejudice the supply of water for lessor's Aetna Springs Resort.

(11) All work done in and about the leased premises by the lessee shall be at his sole cost and expense, and the lessee covenants and agrees that he will not, during the term of this lease, permit any lien or encumbrance done or caused by him, or arising from his operations on the said premises, to attach to the same, and that he will, prior to the commencement of work on the premises, and so often as may be necessary thereafter, post or cause

to be posted upon the said premises, and to be recorded if required by law, notices of non-liability upon the part of the lessor for any work, labor or materials employed or used upon the said premises by the lessee or under his authority. As to any labor employed by him upon the said premises, the lessee agrees to procure, and at all times to keep in force, full workmen's compensation and liability insurance, and to indemnify and save harmless the lessor against any and all loss, liability or damage to persons or to property, including all members of the public, and all livestock which may come upon the said premises during the term hereof. Copies of insurance policies are to be furnished the lessor.

(12) Lessee agrees to pay all Social Security and Unemployment insurance taxes levied or assessed in the operations hereunder and to conduct all operations hereunder in accordance with the laws of the State of California, the United States of America, and in accordance with all safety regulations prescribed by any duly authorized body.

(13) Lessor and lessee further agree that all taxes levied or assessed on the real estate of the lessor, improvements thereon and personal property belonging to the lessor shall be paid by the lessor; the lessee shall pay all taxes levied or assessed on his machinery and equipment. In the event that the mineral rights to said lands shall be taxed, or in the event that the rights conferred by this lease agreement shall be taxed, or in the event that any tax or taxes shall be imposed upon precious metals or minerals, or upon the production thereof, from said lands, then in any or all of said events the lessor shall bear that proportion of the whole of such tax or taxes which the royalty or percentage accrued in favor of the lessor during the incidence of such tax or taxes bears to the returns upon which such royalty or percentage is based, and the lessee shall pay the balance of such tax or taxes when the same shall become due and payable.

(14) Lessor and lessee further agree that no equipment, tools, machinery, structures, improvements or personal property of any nature or description brought or placed upon the said leased premises by the lessee for use in and about the same shall become a fixture, but shall remain the property of the lessee and shall be subject to removal at all times by the lessee if he be not in default under any of the provisions of this lease. In the event this agreement shall be terminated, and said lessee shall not be in default under any of the terms or provisions of said lease, said lessee shall have the right to remove all of said equipment, tools, machinery, structues, improvements and personal property from the leased premises and to begin said removal within sixty (60) days after the termination of the lease as to such premises; provided, however, that in no event shall the lessee remove any timbering placed in or about said leased premises.

(15) This agreement, and each of the terms, conditions, provisions, stipulations, agreements, and covenants in this lease shall extend to and bind or inure to the benefit of, as the case may be, not only to the parties hereto, but to each heir, executor, administrator, personal representative, assign and/or successor in interest of the lessor and lessee, and that whenever in this lease reference to lessor or lessee is made such reference shall be deemed to refer to the successors and assigns of such party to the same extent as if in every case expressed, and all stipulations, admissions, agreements, conditions, and covenants contained in this lease shall be covenants running with the land.

(16) Lessor hereby covenants and agrees that he will furnish all information and execute any and all documents which will be necessary should lessee apply for Federal loans on account of the exploration and/or mining of strategic minerals, and cooperate in all reasonable manner to assist lessee in procuring said loan, without cost, however, to lessor. This lease is subject and subordinate

to the loan of M. [illegible] and M. Mining Company fro[illegible] United States Geological Survey in the sum of $700.00 (731.25) more or less, which loan shall be paid and discharged by lessee from the gross proceeds from his mining operations herein.

(17) In the event that the lessee fails to fulfill any of the obligations and requirements of this lease, then lessor shall notify said lessee of such failure, in writing, giving lessee thirty (30) days within which to commence to remedy said failure or fulfill said obligation.

(18) Lessee hereby permits lessor to reserve the right to lease on a month to month basis the mineral rights and the property known as the JAMES CREEK PLACER, with the understanding, however, that lessee shall have the right to take over and operate this property at any time he elects to do so by giving lessor sixty (60) days' notice of such intention. Lessee agrees to work said placer claim in a minerlike and efficient manner. Lessor agrees to procure a quit claim deed as a condition precedent to permitting any one to lease said placer claim on said month to month basis and shall forthwith order said month to month lessee to clean up and vacate the premises within sixty days of the receipt by said lessor of said notice of intention, in writing, on the part of said lessee and, if necessary, taking legal steps to remove said month to month lessee from the premises.

(19) All payments or delivery of ore or other substances from lessee to lessor as provided for in paragraph (8) hereinabove shall be made within thirty days of receipt of gross sales proceeds by lessee or within thirty days of receipt of mercury or other substances by lessee.

(20) Title to all ore, mercury, minerals, fossil or vegetable substances shall remain in lessor until the same be taken from the ground.

(21) Lessee shall take out and maintain in force at his own expense a policy of public liability insurance in such an amount and in such company or companies as may be satisfactory to the lessor, insuring the lessor and lessee from all liability and all actions, suits and costs of suits by any and all persons for damage or injury to such persons or property caused on the leased premises, or by reason of any negligence on the part of the lessor or lessee or any subtenant or any employees, agents or servants of the lessee in and about the occupation, use and maintenance of the leased premises. A proper certificate of said policy of insurance satisfactory to the lessor shall be delivered to and remain in the possession of the lessor during the term of this lease or any extensions thereof.

(22) There shall be no living quarters constructed or used as dwellings upon the leased premises, except that the office building for lessee's operations may contain sleeping quarters for two individuals.

(23) Anything to the contrary notwithstanding, this lease shall not be assignable by operation of law without the prior consent in writing of lessor, and this lease shall not be assigned to, nor shall lessee sublet to nor part with the possession of all or any portion of the leased premises except to a person or corporation or corporations of good reputation and financial stability.

(24) There is reserved to lessor the right and privilege of making any use or occupancy of the leased premises that does not interfere with the mining operations of the lessee.

Executed this 1st day of February, 1960.

George B. Heibel

Ruth V. Heibel

QUITCLAIM DEED

VOL. 627 PAGE 535

FOR VALUE RECEIVED, ALEXANDER R. HILAND and Helen M. Hiland, husband and wife, PHILIP C. MUNKO and JULIA MUNKO, husband and wife, and JOHN J. LUKANISH and Val Lukanish, husband and wife, hereby Quitclaim to GEORGE B. HEIBEL and RUTH V. HEIBEL, husband and wife, as Joint Tenants, all that real property in the County of Napa, State of California, described in Exhibit "A" attached hereto and made a part hereof by reference thereto.

THE CONSIDERATION FOR THIS DEED IS LESS THAN THE SUM OF ONE HUNDRED DOLLARS ($100.00).

Executed this 5th day of March, 1959.

Alexander R. Hiland

Helen M. Hiland

Julia Munko

Philip C. Munko

Val Lukanish

John J. Lukanish

State of California
County of Alameda } SS.

On this ..... day of ..... in the year One Thousand Nine Hundred and ..... before me ..... a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared .....

known to me to be the person ..... described in and whose name ..... subscribed to the within instrument, ...

and ..... he ..... acknowledged to me that ..... he ..... 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.

..... Notary Public
In and for said County of Alameda, State of California

GENERAL ACKNOWLEDGMENT
My Commission Expires
Form NF26X-In PICA, Oakland, Calif.

State of California
County of Siskiyou } SS

— ACKNOWLEDGMENT—General —

On this 5th day of March A. D. 1959 before me, C. Porter a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Helen M. Hiland, A. R. Hiland, Mrs. Julia Munko and Philip C. Munko

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.

C. Porter
Notary Public in and for said County and State of California

My Commission Expires July 9, 1962

Form GA — Sam Hopkins Legal Forms Printing Service, 2328 Fruitvale Ave., Oakland, Calif.

1. Financial Eligibility:

(a) The following is a list of the banks to which I filed, requesting an exploration loan.

Bank of America, Lower Lake Branch
Bank of America, St. Helena Branch
First Western Bank, Laurel Branch
American Trust Company, Polk - California Branch

I cannot meet the security demands asked by the banks.

(b) Giusti Mining & Exploration, 1012 Wildwood Ave., Daly City, Calif. This company does the drilling for the Aetna Springs Mine.

(c) Through personal labor and personal income.

2. Applicants Rights in Land:

(a) The Aetna Springs property is owned by Mr. & Mrs. George B. Heibel. The property is leased by Elio R. Giusti, and enclosed there is a copy of his lease. The only lein on the property is that held by the office of the D.M.E.A. obtained from partial use of funds from a loan granted to the H. L. M. Mining Co.

(b) I wish to explore on Patented Claims called the Valley Mining Co., C - Pat - 476 which consists of patented land of approximately 1200' by 3000' consisting of 82.62 acres. As my lease covers 1500 acres (more or less) I wish to exclude all but the 82.62 acres from coverage by the Lien & Subordination Agreement. The legal description of the property covered by my lease can be found on Plate #1. The origional of which was obtained from the Western Title Guaranty Co., Napa County Division. The area covered by my lease is enclosed by a red line. The area upon which exploration will be performed, and which will be covered by the Lien & Subordination Agreement is enclosed by a green line.

Note 1/ same green as Fig. 1 of Gram Report covers Pankey

(c) Enclosed you will find copies of the Lien & Subordination Agreement.

3. Physical Description:

(a) Previous work was performed by the Valley Quicksilver Mining Co., which was incorporated in 1867. The sixth report of the California State Mineralogist 1885 - 1886, pg 68, states: "The Valley Quicksilver Mining Co. sunk a 125' shaft. The company made the serious mistake of sinking the working shaft in the bed of the creek, which necessitated costly punping apparatus, and in the winter the mine was flooded by the waters of the creek. There also was much trouble caused from emanations of carbonic Acid Gas in the workings. At one time considerable ore was extracted, but owing to the difficulties the yield was but small."

In 1958 the H. L. M. Mining Co. had a D.M.E.A. loan and used a very minor part of the loan to install some bulldozer cuts across the silica-carbonate outcrops. The office of the D.M.E.A. has a complete record of the exploration.

In 1960 the Aetna Springs Mine performed some shallow drill holes. They drilled six holes the depths of which are as follows.

Hole #1 was 68 1/2', Hole #2 was 34', Hole #3 was 118', Hole #4 was 24', Hole #5 was 74', Hole #6 was 34'.

On plates #2, #3, & #4 of this loan there are cross sections of the drill holes. Plate #2 shows the rock types. Plate #3 shows the cinnabar content. Plate #4 shows the marcasite content.

(b) Giusti Mining & Exploration did the drilling of the six holes for the Aetna Springs Mine.

(c) None Available.

(d) None of any major extent.

(e) The geologic features consist of undifferentiated Franciscan rocks (Jurassic in age) highly folded. Crossing the folds there occurs a fault, along which serpentine has been intruded. The serpentine has been altered in places to silica-carbonate type material containing cinnabar and marcasite.

(f) Over an area of 1000' in length there occurs good surface indications of cinnabar, occuring in the silica-carbonate material. There also occurs minor cinnabar occurences for an additional 1000' along the same zone. The wide spread surface indications make it possible to find increased cinnabar concentrations at depth. As yet there are no indications as to what may be encountered at depth. The drilling done previously by the Aetna Springs Mine was only semi-successful, but the first five drill holes were to the west side of the silica-carbonate outcrops. The sixth hole which encountered good cinnabar and considerable marcasite was drilled to the East of the silica-carbonate outcrop. Most of the planned exploration will be to the East side.

(g) Not necessary to return any maps or cross sections.

4. Accessibility of Property:

(a) The person who will meet any C. M. E. Representative will be the Aetna Springs Mine geologist.

Mr. Elio R. Giusti
Howard Hot Springs
Middletown, Calif.
Walker 8-5256

Mr. Gentry the C. M. E. representative is very familiar with the Aetna Springs Mine property.

(b) The main shipping and supply point is San Francisco, about seventy-five miles away. Most minor supplies come from St. Helena, which is about fifteen miles away.

5. Exploration Work:

(a) The exploration will consist of drilling, done with a 2 3/8" bicone rotary bit. Samples of the cuttings will be taken every 18". The sample will be divided in half, with one half of it panned on the job, and the other half saved if the geologist on the job wants it for future reference. The cuttings will be panned to determine rock type, cinnabar content and marcasite content.

See plate #5 for the locations of the drill holes. The drill holes need not be drilled in the manner that they are numbered. All drilling will be vertical holes.

Drill hole #	Description	Depth
#Ex 107	This hole will be planned to hit the potential ore zone at about 100'.	125'
#Ex 108	If hole #Ex 107 is successful, then this hole will be planned to excounter the potential ore zone at a depth of about 150' to 200'.	200'
#Ex 109	If hole #Ex 108 is successful then this hole will be planned to encounter the potential ore zone at a depth of 225'.	250'
	Drill holes #Ex 107, #Ex 108 and #Ex 109 should give us a good picture of the geologic structure, upon which we can base the rest of the drilling program.	
#Ex 110	This hole will be planned to hit the potential ore zone at a depth of 100' to 125'.	150'
#Ex 111	If hole #Ex 110 is successful then this hole will be planned to encounter the potential ore zone at a depth of 200' to 225'.	250'
#Ex 112	This hole will be planned to explore the structure around what appears at the surface to be a possible fault zone.	150'
#Ex 113	This hole will be the same as #Ex 112.	150'
#Ex 114	If holes #Ex 110 & #Ex 111 are successful then this hole will be planned to encounter the potential ore zone at 125'.	150'
#Ex 115	If hole #Ex 114 is successful then this hole will be planned to encounter the potential ore zone at 200' to 225'.	250'

Drilling Footage 1675'

Drilling Footage 1675'

#Ex 116	If holes #Ex 114 & #Ex 115 are successful then this hole will be planned to encounter the potential ore zone at 125'.	150'
#Ex 117	If hole #Ex 116 is successful then this hole will be planned to encounter the potential ore zone at 200' to 225'.	250'
#Ex 118	This hole will explore the area south of the old Valley Mine Shaft. This area is covered with overburden and there are no visible outcrops. Will explore to a depth of 150'. We hope to encounter the silica-carbonate structure beneath the overburden.	150'
#Ex 119	This hole will be the same as #Ex 118.	150'
#Ex 120	This hole will explore the area south of the creek and east of the old Valley Mine shaft to a depth of 200' to 225'.	225'
#Ex 121	This hole will explore the area south of the creek and west of the main silica-carbonate outcrop. This hole will have two objectives. First will be to explore beneath the overburden and second to obtain information on the structure so that we may explain the occurence of additional silica-carbonate further west. Depth 150'	150'
#Ex 122	This hole will be the same as #Ex 121.	150'
#Ex 123	This hole will be planned to encounter the potential ore zone at a depth of 125'.	150'
#Ex 124	If hole #Ex 123 is successful then this hole will be planned to encounter the potential ore zone at 200' to 225'.	250'
#Ex 125	This hole will explore the area east of the silica-carbonate outcrop in the hopes of finding a potential ore zone. Depth 150'	150'

Drilling Footage 3450'

Drilling Footage 3450'

#Ex 126	If hole #Ex 125 is successful then this hole will be planned to encounter the potential ore zone at 200' to 225'.	250'
#Ex 127	Same as hole #Ex 125.	150'
#Ex 128	Same as hole #Ex 126.	250'
#Ex 129	This should be drilled before holes #Ex 127 & #Ex 128. The purpose will be to explore the structure of the silica-carbonate and to explore for potential ore zones. Depth 150'.	150'
#Ex 130	The purpose of this hole will be to explore the structure north of the silica-carbonate outcrop. Depth 150'.	150'
#Ex 131	The purpose of this hole will be to explore the structure west of the silica-carbonate outcrop. Depth 150'.	150'
#Ex 132	This hole will be drilled as a last measure if all other holes fail. This hole will explore the structure south of our best surface indications. Depth 150'	150'
#Ex 133	This hole will explore the structure to try and explain the interruption of the silica-carbonate outcrops. Depth 150'.	150'
#Ex 134	This hole will explore at depth the zone cut by the previous benching done by the H. L. M. Mining Co.. This zone ran 4.5 lbs. Hg/ton. Depth 125'	125"
#Ex 135	If hole #ex 134 is successful then this hole will be planned to encounter the same zone at about 175'.	175'

Total Drilling Footage 5150'

In case of a total loss of circulation when a hole is near our objective, it may be necessary to core drill. For this reason we will estimate a possible need of 150' of AX core drilling.

If the drilling program is successful and we discover sufficient ore to necessitate further exploration, then we will have to sink a shaft and drift. We will then need a shaft to a depth of 150' to 250'. From this shaft we will then have to crosscut and drift for 500' to 1,000'. None of the work in the second stage will be estimated or started until the first stage has proved successful.

?

(b) No access roads need be built, but in some places it will be necessary to do some minor bulldozing to make level drilling benches. Drill holes #Ex 123 to #Ex 135 will need minor benching. Total Bulldozer time should not exceed 25 hours. At a cost of $12/hour this would be approximately $400.00.

(c) Work can be started at any time, but because of a prior commitment on the geologist Mr. Giusti, work may have to progress on a limited basis for a six week period. This period will be from June 15th to July 30th. If the loan is executed before this date work can progress on a full basis until June 15th. It will then progress on a limited basis until July 30th, when it can resume a full basis again. As Mr. Giusti, the geologist, will be gone many days during this period he will be paid on a daily basis during this time. His pay will be $25 / day for every full day worked, and not to exceed $300.00 for this period.

Working on a full basis work should progress at a rate of 400 feet per month, all through the period of the loan. This rate takes into consideration the winter weather which will curtail drilling operations during rainy periods. Working on a full basis it should take about 12 months to complete the exploration program.

6. Experience:

The major partner in the Aetna Springs Mine, Mr. Elio R. Giusti (who will also be the geologist on the job) is a graduate of the Geology Department at the University of California, Berkeley Campus. Mr. Giusti majored in

hard rock geology, thus he also was able to take mining engineering courses. He has worked on a Mercury Exploration project in Paso Robles for one year and he has worked on the Aetna Springs Mine project for the last year.

7. Estimate of Costs:

(a) The drilling will be contracted and the lowest drilling prices were submitted by Giusti Mining & Exploration. The costs were $3 per foot for open hole drilling and sampling and a cost of $10 per foot for AX core drilling. Total cost on approximately 5,150' of drilling open holes is $15,450.00 and for 150' of core drilling is $1,500.00 for a total cost of $16,950.00.

Minor bulldozing to be done with maximum of 25 hours at a cost of $12 per hour. Total cost $400.00.

(b) The geologic services will be performed by Mr. Elio R. Giusti and he will receive a salary of $600.00 per month, except during the period of June 15, 1961 to July 30, 1961, (as stated in section 5c) if the loan is in progress at that time. Total cost for approximately 12 months work is $7,200.00.

(c) None

(d) None

(e) None

(f) None

(g) Cost of analysing samples to obtain exact grades of any potential ore zones. Approximately 50 samples at a cost of $5 per sample, total cost of $250.00.

Cost of office supplies, possible office labor and duplicating cost for reports or maps. Approximately costing $200.00.

JOY MANUFACTURING COMPANY
1155 HARRISON STREET
SAN FRANCISCO 3, CALIFORNIA
TELEPHONE HEMLOCK 1-3393

EXECUTIVE OFFICES
HENRY W. OLIVER BUILDING
PITTSBURGH 22, PA.

November 1, 1960

Aetna Springs Mine
Napa, California

Attention: Elio R. Guisti

Gentlemen:

For your contemplated drilling on your property we wish to submit our bid for core drilling of AX holes, we wish to quote as follows:

		Non-Coring	Coring
0 - 100 ft depth	1-15/16" O.D. (1-3/16" core)	$ 6.50/ft	$10.50/ft.
100-250 ft depth	1-15/16" O.D. (1-3/16" core)	$ 7.50/ft	11.50/ft.
Cementing		1.00/ft.	
Casing		1.50/ft.	
Delays requested by you (includes rental of equipment)		8.00/hour	

Minimum guaranteed footage	2500 ft.
Mobilization & Demobilization	$950.00

We wish to thank you for the opportunity of quoting and we trust our bid will be considered when awarding the contract.

Yours very truly,

JOY MANUFACTURING COMPANY

W. E. Korpi

W. E. Korpi
Office Manager

WEK:mjh

DIAMOND DRILLING
ROTARY DRILLING

GEOLOGIC EXPLORATION
GEOLOGIC MAPPING

GIUSTI MINING & EXPLORATION
ELIO R. GIUSTI
1012 WILDWOOD AVENUE
DALY CITY, CALIFORNIA

October 25, 1960.

Aetna Springs Mine
Aetna Springs,
Napa, California.

Gentlemen:

In answer to your inquiry of possible drilling at the Aetna Springs Mine, my costs would be as follows.

Open hole vertical drilling using a bicone rotary bit of 2 3/8" diameter, will cost $3.00 per foot. This will include sampling every 18" with one half of the sample panned and the other half saved if desired. For AX core drilling, a cost of $10.00 per foot.

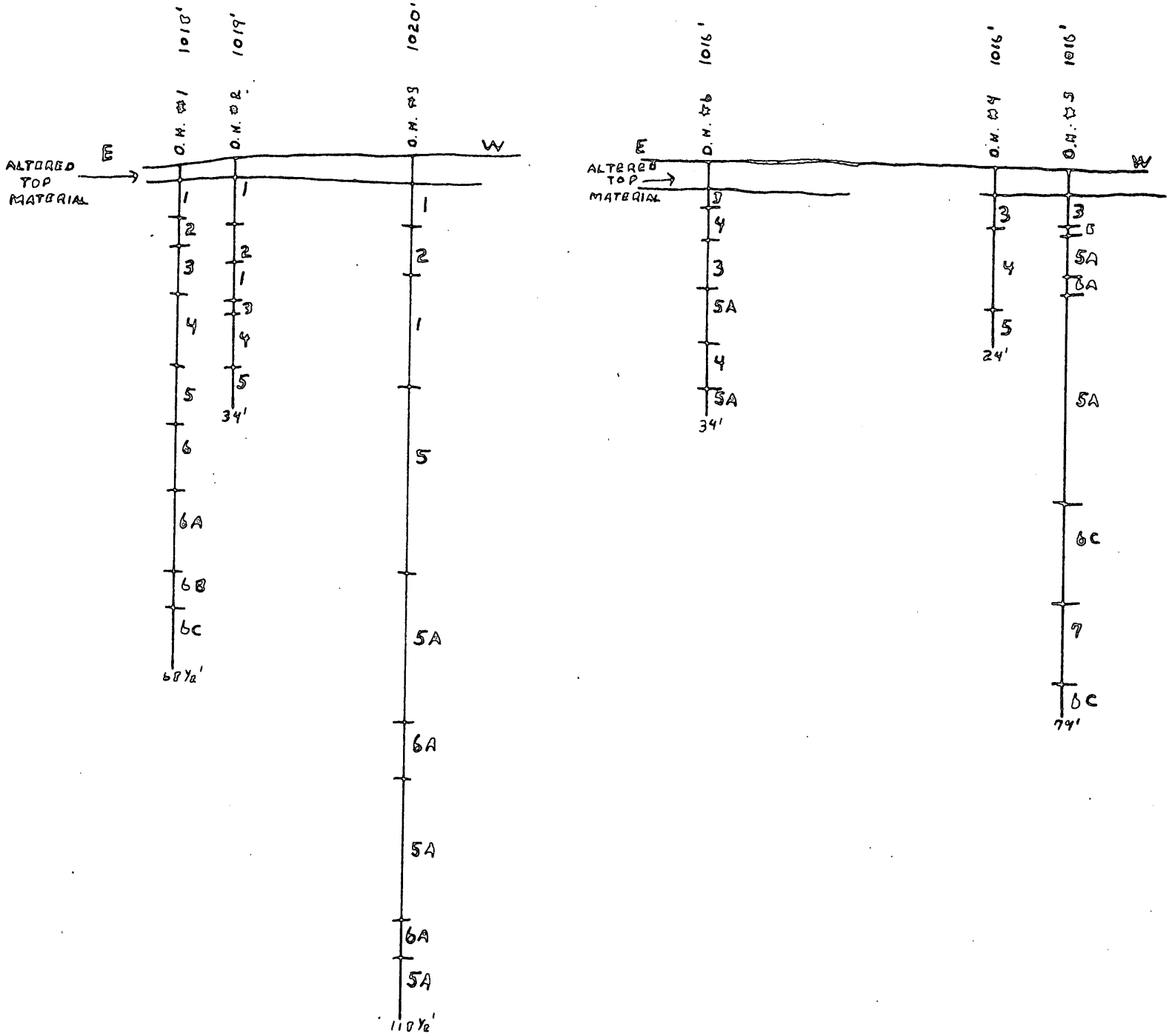
I will need a guarantee of a minimum of 2,000 feet of open hole drilling to be able to give you the above prices.

Thank you kindly,

Giusti Mining & Exploration
Elio R. Giusti
Elio R. Giusti

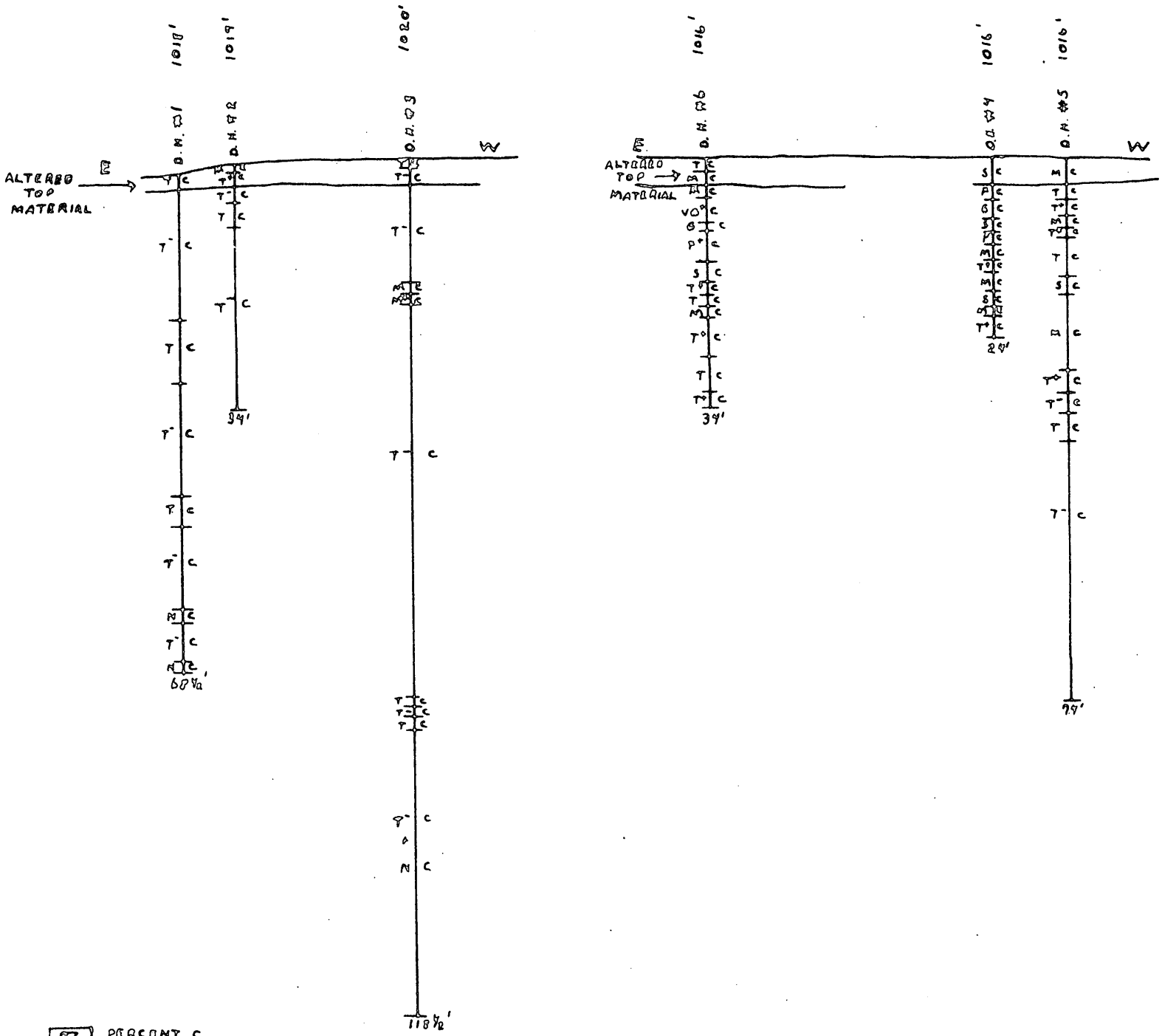
EXPLANATION OF PLATE 2

1	Weathered Serpentine.
2	Iron oxide rich brown clay.
3	Weathered silica-carbonate.
4	Silica-carbonate.
5	Gray siliceous clay.
5A	Gray siliceous clay + zones of green siliceous shale.
6	Blue green siliceous shale.
6A	Blue green siliceous shale + zones of gray siliceous clay.
6B	Green siliceous shale.
6C	Green siliceous shale + zones of white silica and white carbonate.
7	Whitish yellow shale + zones of white clay and white silica.



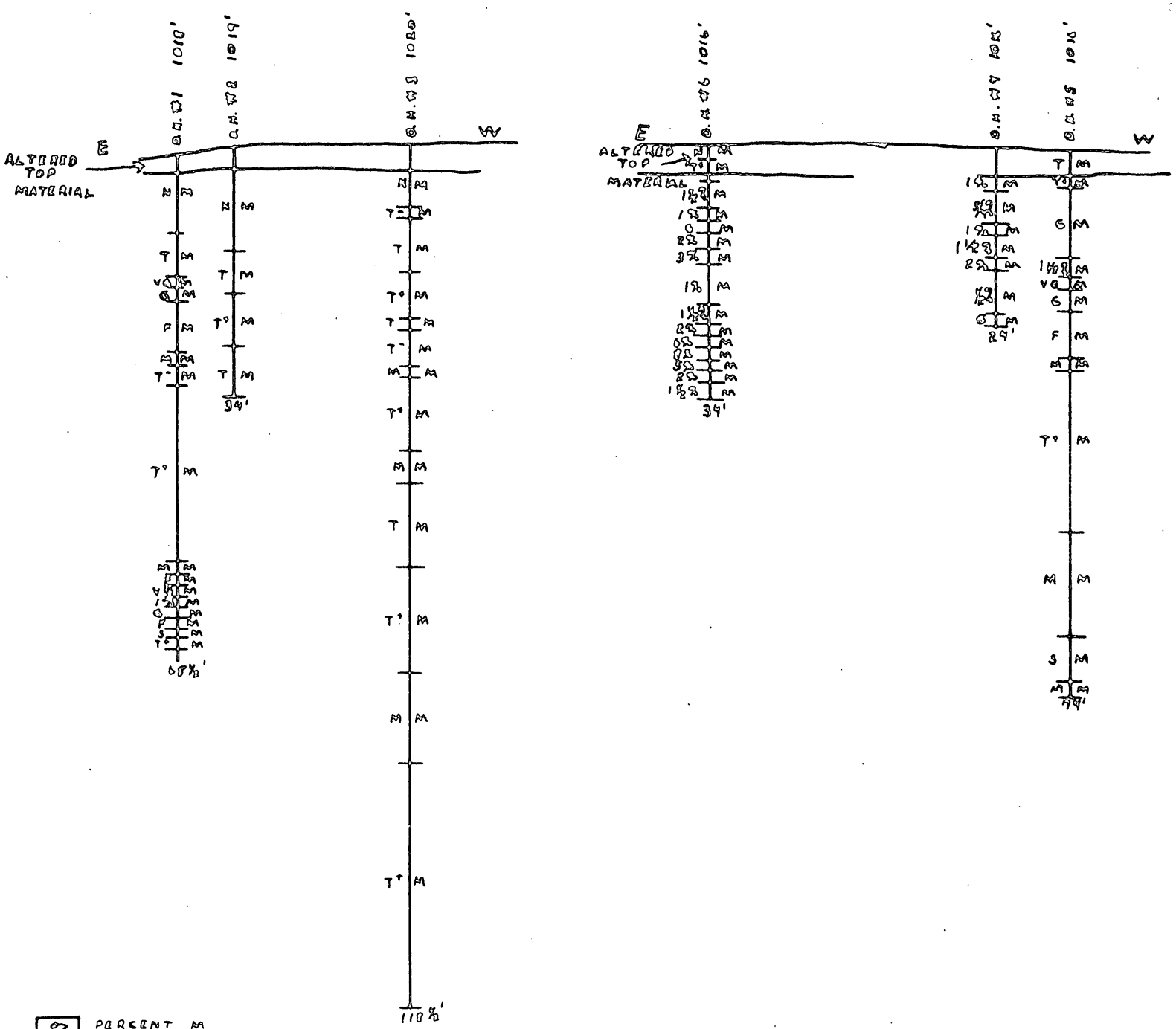
CROSS SECTION OF DRILL HOLES 1 TO 6 SHOWING ROCK TYPES

PLATE 2



%	PERCENT C
VG+C	10 lb - 20 lb
VGC	6 lb - 10 lb
GC	4 lb - 6 lb
FC	2 lb - 4 lb
SC	1 lb - 2 lb
MC	½ lb - 1 lb
T+C	½ lb OR LESS
TC	GOOD COLORS
T-C	FEW COLORS

CROSS SECTION OF DRILL HOLES 1 TO 6 SHOWING CINNABAR CONTENT



%	PERCENT M
VGM	10 lb. - 20 lb.
VGM	6 lb - 10 lb.
GM	4 lb - 6 lb
FM	2 lb - 4 lb
SM	1 lb - 2 lb
MM	½ lb - 1 lb
T+M	½ lb OR LESS
T M	GOOD COLORS
T-M	FEW COLORS

CROSS SECTION OF DRILL HOLES 1 TO 6 SHOWING MARCASITE CONTENT

U. S. Government Messenger Envelope

d Form No. 65 (Rev. 1957)
gated by Bureau of the Budget Circular A-33 (Rev.)

65-103

ME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
. Selfridge om 4459	STOP		STOP
	STOP		STOP
	STOP		STOP
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	STOP		STOP
	STOP		STOP
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	STOP		STOP
	STOP		STOP
	STOP		STOP

Use other side

Use STOP only when messenger service between Government buildings in Washington, D. C., is required or wherever a STOP system is used. Your mail room has STOP information.

INSTRUCTIONS FOR USE

1. Identify Agency of Addressee
2. Void Previously Used Block
3. Write Clearly
4. Send Surplus Envelopes to Supply Room for Reissue

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

Use other side first

DOCKET COPY

PROJECT SUMMARY REPORT

By: Stephen P. Holt August 30, 1962

1. OME-6117 (Mercury)
Contract 2127

Operator - Aetna Springs Mine, a partnership consisting of Elio R. Giusti and Robert Gary Baker
Howard Hot Springs
Middletown, California

Property - Aetna Springs Mine
Napa County, California

Operator's Property Rights -

The Operator controls, under terms of a lease signed February 1, 1961, and Amendment to Lease signed June 3, 1961, one patented lode mining claim, known as the Aetna Springs property, area 82.62 acres, in secs. 1, 2, 11, and 12, T. 9 N., R. 6 W., M.D.B.& M., Pope Valley, Napa County, California. A Lien or Subordination Agreement signed June 28, 1961, by George B. Heibel and Ruth V. Heibel, Aetna Springs, Napa County, California, is attached to the contract.

2. Contract - dated June 30, 1961, on MME Form 51 (Short Form) Feb. 1959.

Work Authorized -

Stage I	Fixed Unit Costs	
Bulldozing to prepare drill sites, 10 hours @ $12.00/hr.	$ 120.00	
Rotary drilling, 2,025 feet @ $3.80/ft.	7,695.00	
Diamond core drilling, 150 feet @ $8.30/ft.	1,245.00	
Core boxes, 10 @ $1.00/each	10.00	
Assays for mercury, 25 @ $5.00/each	125.00	
Total Stage I		$9,195.00

Stage II		
Bulldozing to prepare drill sites, 3 hours @ $12.00/hr.	36.00	
Rotary drilling, 1,850 feet @ $3.80/ft.	7,030.00	
Diamond core drilling, 150 feet @ $8.30/ft.	1,245.00	

Work Authorized (continued)

Stage II (continued)

Core boxes, 9 @ $1.00/each	9.00	
Assays for mercury, 25 @ $5.00/each	125.00	
Total Stage II		$ 8,445.00
Total Estimated Cost of the Project		$17,640.00
Government Participation @ 50%		$ 8,820.00

Amendments - None

Work Completed -

Bulldozing, 3½ hours @ $12.00/hr.	$ 42.00	
Rotary drilling, 1,203 feet @ $3.80/ft.	4,571.40	
Diamond core drilling, 8 feet @ $8.30/ft.	66.40	
Assays for mercury, 1 @ $5.00	5.00	
Total Accepted Cost of the Contract		$4,684.80
Government Contribution @ 50%		$2,342.40

Termination -

Work under the contract started June 30, 1961, and was stopped, prior to completion, on December 31, 1961. A Mutual Termination Agreement, effective as of February 1, 1962, was executed March 6, 1962.

2-A Reports -

The Final Report of the Field Officer, dated March 27, 1962, was received April 2, 1962. The Operator's Narrative Report for November-December 1961, which contained a summary of results of all project work and a report titled "Re-examination of Aetna Springs Mine," was accepted in lieu of an Operator's final report.

3. Audit -

A Report of Review, in lieu of final audit, dated July 9, 1962, showed total acceptable cost of the contract as $4,684.80, Government contribution @ 50% as $2,342.40.

4. Certification -

No certification of possible production was issued.

5. Comments -

The purpose of the project was to explore, by means of rotary and diamond core drilling from the surface of the Aetna Springs mine property, for deposits of mercury occurring as cinnabar-bearing veins, stringers, veinlets and discontinuous seams along fractures in tabular and irregular masses of silica-carbonate rock in altered basalt and intrusive serpentine of the Franciscan and Knoxville series of Jurassic age.

Results of drilling were disappointing. The few small showings of mercury mineralization intersected by the drill holes were mostly at depths of 40 feet or less below the surface, and within the developed area of the Aetna Springs resort, where, by terms of the Operator's lease from the owners, no mining could be done or mine openings made at depths less than 50 feet below surface. Therefore, the small showings of mercury found were, for all practical purposes, inaccessible for mining.

No certification of possible production was issued. The Government's rights to royalty from any future mineral production from the lands of the contract are protected by the terms of the royalty agreement made a part of the Termination Agreement, dated August 18, 1959, under the previous contract, Idm-E1155 (DMEA-4777), which includes the land subordinated under this contract (No. 2127).

Stephen P. Holt

Stephen P. Holt

SPHolt/gla
8-30-62
cc to: Director's Reading File
Docket

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/9	Selfridge	120
		110
		220

FEB 9 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: Disclosure of information contained in BMEA-OME dockets

Reference is made to your January 31 and February 2, 1966, letters to Mr. J. H. Sampson and Mr. Ralph M. Tucker, respectively.

Please review your files, if locatable, that might deal with the subject mentioned above. Ordinarily, the only information we give an inquirer concerning a docket is that which has appeared in a news release. Recently this has included certifications. Inquiries preferably should be received in writing. The inquirer is informed that the information contained in a docket is considered confidential and for Government use only. He further is informed that the OME does release information submitted by the operator after receiving written approval to do so, but can never release any of the Government reports. Information concerning denial of an application is never released.

When an inquiry is received from another Government agency, it has been our policy to permit duly authorized representatives of those agencies to review our files and take notes on information contained therein, with the understanding that it is for their confidential use only. We do not, however, permit them to remove anything from the files or make copies, such as photostats or other reproductions, of the material in the file.

Should there be any doubt in your mind regarding future inquiries, you might refer them to Washington.

(signed) FRANK E. JOHNSON

Frank E. Johnson

cc to: Director's Reading File
Division File
Economic Geology File
OME Docket file 6117
OME Region II file
OME Reading File
Mr. Selfridge

GCSelfridge/gla 2-9-66

23263

U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

January 31, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 8 1966
220

Mr. J. H. Sampson
c/o Ansor Corporation
120 Montgomery Street
San Francisco, Calif.

Re: OME-6117 (Mercury)
Aetna Springs Mine
Napa County, Calif.
Contract No. 2127

Dear Mr. Sampson:

Reference our telephone conversation this date enclosed is a rough sketch map showing the location of the rotary drill holes drilled under the OME contract.

Inasmuch as you now have a lease on this property you should keep in mind that the Government retains a lien against production from this property under a former DMEA Contract (No. DMEA-4777 Contract Idm-E 1155) that runs until November 19, 1968 or until the Government's participation of $731.25 is repaid, whichever occurs first.

If I can be of further assistance to you in this respect please call or write me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc:
Director
Chief, OME, Wash. DC
ACG RF
File 6117
MP RF
HKStager:mlb

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/6	Holt	500
	Grumel	500
9/6	Talbert	800
9/6	Selfridge	120
"	Van Peerke	110
9/6	Fumich	100
9/6	eyl	220

Aetna Springs Mine
c/o Mr. Elio R. Giusti
Howard Hot Springs
Middletown, California

SEP 6 1962

Re: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California
Contract 2127

Gentlemen:

Reference is made to your terminated exploration contract with the Government. We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We therefore are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

Please note, however, that this action in no way affects your obligation concerning the Government's right to its royalty under the terms of Contract Idm-21155 (DMEA-4777) M.L.M. Mining Company, as set forth in Article 16 of the Lease executed by George B. Haibel and Ruth V. Haibel, lessor, and Elio R. Giusti, lessee, amended by the Amendment to Lease, executed June 3, 1961, by the same lessor and lessee.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

George Fumich, Jr.

Director

Copy to:
Aetna Springs Mine
c/o Mr. Robert Gary Baker
829 Masonic Avenue
Albany, California

SPHolt/gla
9-6-62
cc to: Director's Reading File
Contract Division
Region II (2)
Docket OME-6117
Docket DMEA-4777
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/6	Holt	500
	Durand	500
9/6	Talbot	800
9/6	Jeffries	120
"	Orlean	110
9/6	Fumich	100
9/6	eyl	220

SEP 6 1962

Mr. George B. Heibel and
Mrs. Ruth V. Heibel
Aetna Springs
Napa County, California

Re: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California
Contract 2127

Dear Mr. and Mrs. Heibel:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien or Subordination Agreement signed by you on June 28, 1961. Your attention is also called to the second paragraph of the enclosed letter.

Sincerely yours,

George Fumich, Jr.

Director

(SPH)

Enclosure

SPHolt/gla
9-6-62
cc to: Director's Reading File
Region II (2)
Docket
Code 500

43683

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

Not Certified — After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Aetna Springs Mine

Actual Cost

State: California

Agreed Unit Cost X

Final Report of Audit

Commodity: Mercury

Docket No.: OME-6117

Final Report of Review 7.9.62

Contract No.: 2127

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
	Feet	$	Feet	$	$
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Rotary	3,875	14,725.00	1,203	4,571.40	4,571.40
Drilling (Specify) Diamond core	300	2,490.00	8	66.40	66.40
Surface Excavation Bulldozing drill sites		156.00		42.00	42.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc. Core boxes		19.00			
Other (Specify) Assays for mercury		250.00		5.00	5.00
Totals		17,640.00		4,684.80	2/ 4,684.80

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by Stephen P. Holt Date 8.31.62
Stephen P. Holt

52616

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/10	[illegible]	220
7/10	[illegible]	220
8/14	Holt	500

10 1962

Memorandum

To: Acting Field Officer, Region II

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Property
Napa County, California
Contract 2127

Your July 3 memorandum to the Chief, Division of Field Operations, in regard to the subject contract includes a request for a Report of Review in lieu of a final audit. Although this request is not in accord with present procedure, a Report of Review has been prepared and the original and two copies thereof are enclosed.

If you concur in the facts stated in the Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

The proper procedure for requesting Reports of Review covering contract costs is prescribed in section 1 of the aforementioned OME Circular 2. Your conformance with the prescribed procedures in future requests for such reports will be appreciated.

Enclosures

EDTalbert/ama 7-10-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 9 1962

July 3, 1962

DATE		
7/9	WOJ	800
8/14	Holt	500

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. 2127

Reference is made to your letter of June 25, 1962, relative to the closing of the subject contract.

This office is in complete agreement with reference to the penultimate paragraph of your letter.

A Report of Review, in lieu of a final audit, is in order and requested.

Paul V. Fillo
Paul V. Fillo

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/25	Holt	500
	Arnold	500
6/25	Talbot	800
6/25	[illegible]	120
"	Johnson	110
6/26	Furnish	100
6/26	Coe	225

JUN 2 5 1962

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California
Contract 2127

In your final report of March 27, 1962, on the subject project you state (see page 3) that the Operator submitted his final report on January 15, 1962.

Our files do not contain a formal Operator's Final Report, as required by Article 5(c) of the contract. We do have the final MME Form 60 and 61 reports for November-December 1961, dated January 15, 1962, with accompanying narrative report and an additional report titled "Re-examination of Aetna Springs Mine" by Elio R. Giusti.

As the above Form MME 60 and 61 reports dated January 15, 1962, with accompanying narrative and "Re-examination" reports contain adequate cost, engineering, and geological data, with drill logs and assays, we are willing to accept them in lieu of an Operator's Final Report on the project.

Please inform us if you concur in such action. If so, it will be advisable for you to request a Report of Review in lieu of final audit, so we may be able to close our books on this contract.

George C. Selfridge

(242)

SPHolt/hb (6/25/62)
cc to: Director's Reading File
Review Committee
CA&A Division
Docket OME-6117
Code 500 (blue)

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

March 28, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 2 1962
DATE

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. ~~Idm-E~~ 2127

Enclosed herewith are the original and three copies of the Final Report on the subject contract.

Paul V. Fillo

Paul V. Fillo

Enclosures 4

FIELD FINAL REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 2 1962
DATE

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION
BY ACTING FIELD OFFICER, OME
REGION II

FINAL REPORT

OME-6117, ~~Idm-E~~ 2127
Aetna Springs Mine
Napa County, California

by

Paul V. Fillo
Acting Field Officer, OME
Region II

March 27, 1962

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ILLUSTRATIONS

Figure 1 ..... Index Map

Figure 2 ..... Claim Map

Figure 3 ..... Location of Drill Holes

Appendix A ..... Drill Logs

INTRODUCTION

The Aetna Springs Mercury Mine, Napa County, California, was explored by a diamond drill program. The work was done by Messrs. Elio R. Giusti, Howard Hot Springs, Middletown, California, and Robert Gary Baker, 829 Masonic Avenue, Albany, California.

A portion of the exploration was initially done in cooperation with the Defense Minerals Exploration Administration under Docket No. 4777, Contract Idm-E1155, with H.L.M. Mining Company of Aetna Springs, California. The contract was executed on November 19, 1957.

The contract expired on February 19, 1959, and was mutually terminated by an agreement dated August 18, 1959. The agreement contained a pseudo certification where the Government is entitled to royalty on any ores produced until November 19, 1968, or until the sum of $731.25 is repaid, whichever occurs first. The contract was a two-stage program. Stage I consists of three bulldozer trenches, totaling about 420 feet. Stage II work was made up of underground exploration of the mineralized zone. Work in Stage II was not done due to a financial disagreement between the partners which resulted in dissolution of the company.

The prior contract

On June 30, 1961, Aetna Springs Mine was awarded another contract by Office of Minerals Exploration and was assigned Docket No. OME-6117, Contract No. Idm-E2127.

The cost of the OME project was $4,684.80, of which the Government's share at 50 percent was $2,342.40 (subject to audit).

This contract

Work was started on June 30, 1961, and was terminated prior to completion on December 31, 1961. An examination to inspect the work performed was made on March 4, 1962, by Paul V. Fillo, Acting Field Officer, OME, Region II, accompanied by the Operator, Elio R. Giusti.

SUMMARY

The surface exposures of mercury ore mineralization occurring in silica-carbonate rock was partially explored by trenching under an original Government contract. Under the new contract, the purpose was to continue the exploratory work on Aetna Springs area by diamond and rotary drilling. Additional land was added to the new contract in order to have more latitude to determine the extension of the mineralized zone. The area was tested by 11 rotary drill holes, having an aggregate length of 1,203 feet, which were drilled to explore the mineralization.

The recommended project consists of two stages of rotary and/or core drilling, and only part of Stage I was completed of the contract work. Their results were disappointing. Three of the holes showed meager mercury mineralization near the surface (30 feet), 8 of the holes were considered barren.

The work started on June 30, 1961, and was terminated on December 31, 1961. A termination agreement, dated March 6, 1962, was approved between the Government and Operator (Aetna Springs Mine).

The work was comprised of eight feet of surface diamond drilling,

1,203 feet of surface rotary drilling and 3.5 hours of bulldozer work.

No ore was mined during the period of the contract and no royalties have been received by the Government. The Operator submitted his final report on January 15, 1962.

?

CONCLUSIONS AND RECOMMENDATIONS

Diamond drilling was not successful in disclosing significant mineralization and future exploration in the area appears to be of doubtful value.

Because no commercial discovery was made in either project and as production from the explored area is unlikely, a certification of discovery should not be made. It is recommended that the contract be terminated by mutual consent.

No certification

See page 2

GEOLOGY

The Aetna Springs mine area is largely covered with soil and vegetation. The area is underlain by rocks of the Franciscan group of upper Jurassic and Cretaceous age, intruded by serpentine that has locally been altered to silica-carbonate rock. The southern part of the OME project is small, showing altered volcanic flow rocks of the Tertiary Sonoma volcanic formation.

The rocks of the Franciscan Group consist chiefly of gray to brown sandstones and shales with minor amounts of greenstone and chert. The serpentine occurs as elongated and tabular bodies intruding the Franciscan rocks.

The volcanic rocks are basalt and andesite flows. All of the rocks show some alteration, much of which is probably hydrothermal and some of which is the result of weathering. Along and near the contacts with sedimentary rocks, the hydrothermal altered serpentine has produced lenticular to irregular-shaped masses of silica-carbonate rock. This rock is the host rock for many of the mercury deposits in the district and consists chiefly of fine grained to glossy opal or chalcedony and a lesser amount of carbonate minerals, usually calcite or dolomite. The silica-carbonate rock is white to dark-bluish gray.

The area is on the nose of the east-plunging mayacmas anticline and the sedimentary rocks, in general, are flat lying or dip northeast.

The serpentine is sheared and cut by numerous faults. Fractures in the silica-carbonate bodies trend north to northeast and are vertical, or dip steeply southeast or northwest.

The mercury ore deposits in the Aetna Springs area are small, irregularly-shaped shoots and masses of cinnabar-rich silica-carbonate rock localized along and near the contact of silica-carbonate rock and serpentine.

Cinnabar, the only mercury mineral seen, occurs as disseminated crystals, discontinued veinlets, and seams along fractures in the silica-carbonate rock.

Ore Reserves

Measured	None
Indicated	None
Inferred	None
Production	None

Sampling

An ore sample was analyzed and assayed 0.21 percent Hg. = 4.2 lbs Hg/ton

LOCATION, ACCESSIBILITY AND LOCAL FACILITIES

The Aetna Springs mine (Resort) is located in the southeast part of the Mayacma Quicksilver District, in the California Coast Range. The property is in Secs. 1, 2, 11, and 12, T.9 N., R.6 W., M.D.B. & M., Napa County, California (fig. 1).

The Aetna Springs mine is accessible by paved county roads from Pope Valley, California, (4 miles) or from Middletown, California, (17 miles). The OME project covered the north and south sides of the highway in the vicinity of the Aetna Springs Resort buildings.

The nearest railroad service is at St. Helena, California. Labor and mine supplies are usually available either in the San Francisco Bay area or Sacramento, California. Water, electric power, and telephone services are available on the property. Mail service is delivered to the Pope Valley Post Office in the winter, and to the Aetna Springs Resort in the summer.

PROPERTY

The land referred to in Article 2 of the Contract is outlined in fig. 2. The property is located in Secs. 1, 2, 11, and 12, T.9 N., R.6 W., M.D.B. & M., Napa County, California. Aetna Springs property is owned by George B. Heible and his wife, Ruth V. Heible, of Aetna Springs, California. The ground allocated for the exploration work is that portion of land on the patented claims called the Valley Mining Company, C-Pat 476,

consisting of patented land approximately 1,200 feet by 3,000 feet (about 82.62 acres). The Operator received a leased agreement from the owners effective February 1, 1960, and ending January 31, 1970, unless sooner terminated in accordance with provisions of the lease. A Lien and Subordination Agreement, dated March 30, 1961, executed by the owners on the patented mining claims, was given to the Operator.

THE OME PROJECT

The project was divided into two stages.

Stage I consisted of 11 rotary drill holes from the surface.

Rotary Drill Hole No.	Feet Depth	Bearing Inclined
1	124	Vertical
2	134	"
3	13	"
4	84	"
5	74	"
6	124	"
7	134	"
8	104	"
9	144	"
10	144	"
11	124	"

The last 8 feet of hole No. 3 was diamond drilled cored. Core recovery on diamond drilling was disappointing and discontinued.

Copies of the detailed drill logs are included in this report (Appendix A).

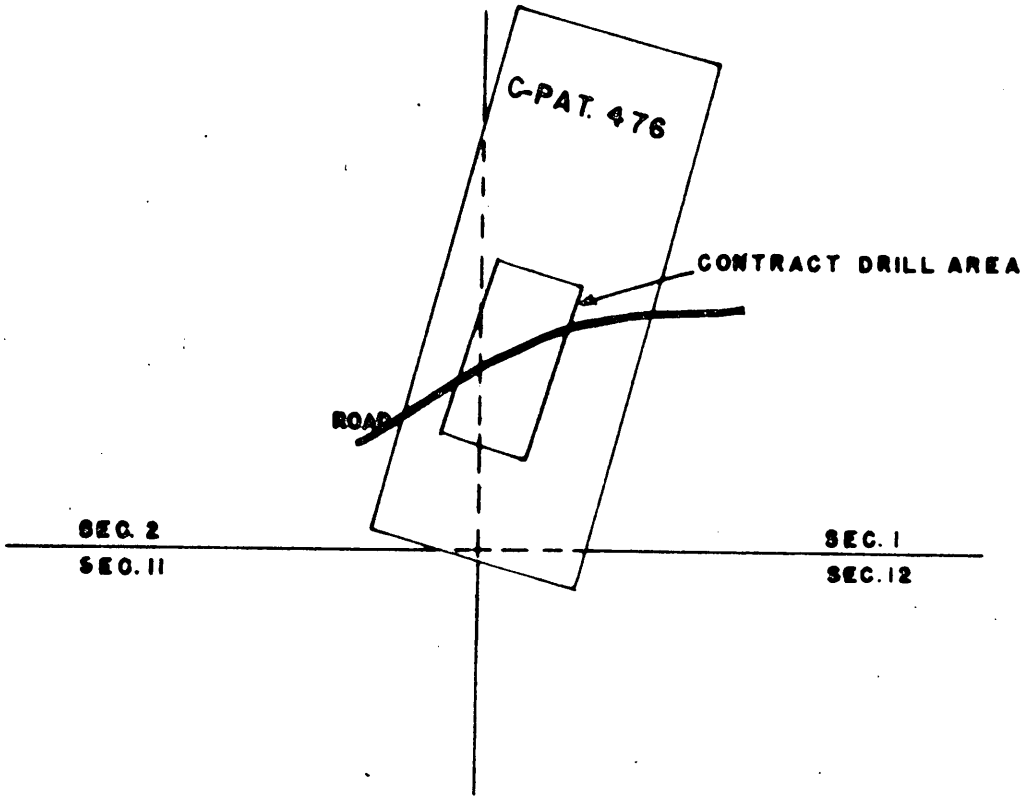
In preparing drilling sites, 3.5 hours of bulldozing was done.

EXPENDITURES

Total authorized cost of the project was $17,640.00.

Stage I

3.5 hours of dulldozer work	$ 42.00
8 feet of diamond drilling	66.40
1,203 feet of rotary drilling	4,571.40
1 sample analyzed	5.00
Expended as of December 31, 1961 (subject to audit)	$ 4,684.80
Government's share of expended fund at 50%	2,342.40
Unexpended funds	12,955.20
Government's share of unexpended funds at 50%	6,477.60
Net proceeds from production	none
Royalty paid to the Government	none
Royalty due the Government	none



T.9 N., R.6W. M.D.B.& M.

Beginning at the section corner common to Sections one (1), two (2) eleven (11), and twelve (12), and bearing N 80° W for 9.35 Chains we come to corner V1. From corner V1 we bear N 14°15' E for 45.45 Chains to corner V2. From corner V2 we bear S 75°45' E for 16.18 Chains to corner V3. From corner V3 we bear S 14°15' W for 45.45 Chains to corner V4. From corner V4 we bear N 75°45' W for 16.18 Chains to close back on corner V1.

The above described property called the Aetna Mineral Springs property, consisting of about 82.62 acres, situated in Pope Valley, Napa County, California is described in a Patent issued to the "VALLEY MINING COMPANY", August 12, 1877 and recorded April 30, 1887 in Book "C" of patents in the Records of Napa County, on page 476.

OME-6117 (Mercury)
Aetna Springs Mine
Napa County, California
Contract Idm-E 2127

Fig.2 CLAIM MAP

DRILL HOLE #1

Location - 15' NE of proposed Drill Hole #1
Elevation - 1,040 feet
Dip - Vertical
Depth - 124'

Interval feet	Estimated Lbs. Hg/ton	Structure and Formations
0 - 4	.5	Weathered silica-carbonate
4 - 5	trace	Weathered silica-carbonate
5 - 11.5	trace	Weathered altered serpentine
11.5 - 14	.5 or less	Weathered altered serpentine
14 - 17	.5	Weathered altered serpentine
17 - 29	trace	Altered serpentine
29 - 80	trace	Gray siliceous clay
80 - 85	trace	Gray siliceous clay with zones of lt. green serpentine
85 - 94	trace	Lt. blue green serpentine 1 to 2 lb./ton/marcasite
94 - 98	trace	Lt. green serpentine 1 to 2 lb./ton/marcasite
98 - 107	trace	Lt. green serpentine
107 - 111	trace	Altered serpentine Possible small fault at 111'
111 - 115.5	trace	Altered serpentine 1 to 2 lb./ton/marcasite
115.5- 117	trace	Altered serpentine
117 - 124	trace	Reddish brown altered serpentine

DRILL HOLE # 2

Location - 45' NE of Drill Hole #1
Elevation - 1,040 feet
Dip - Vertical
Depth - 134'

Interval feet	Estimated Lbs./Hr/ton	Structure and Formation
0 - 16	trace	Weathered altered serpentine
16 - 25	trace	Gray siliceous clay
25 - 32	trace	Brownish gray siliceous clay
32 - 34	trace	Altered serpentine
34 - 35.5	1.0	Highly altered serpentine with some silica-carbonate
35.5 - 37	.5	Highly altered serpentine with some silica-carbonate At 36' possible small fault zone
37 - 46	trace	Highly altered serpentine with some silica-carbonate
46 - 55	trace	Gray siliceous clay
55 - 57.5	trace	Altered Serpentine At 55' possible small fault zone
57.5 - 66	trace	Lt. green serpentine
66 - 76	trace	Gray siliceous clay
76 - 85.5	trace	Altered serpentine
85.5 - 101	trace	Altered serpentine Slight increase in marcasite content.
101 - 109	trace	Altered serpentine
109 - 112	trace	Reddish brown altered serpentine
112 - 134	trace	Gray siliceous clay

DRILL HOLE # 3

Location - 5' NE of proposed drill hole #4

Elevation - 1,056 feet

Dip - Vertical

Depth - 21'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 4	trace	Weathered silica-carbonate
4 - 8.5	trace	Silica-carbonate
8.5 - 13	trace	Weathered altered serpentine Lost total circulation and after two days finally recovered about 10%. Recovered about 25% of the cuttings from this zone.
13 - 21	trace	Weathered altered serpentine No core recovery, recovered only about 10% of very fine cuttings.

DRILL HOLE # 4

Location - 110' east of proposed drill hole #5
Elevation - 1,014 feet
Dip - Vertical
Depth - 84'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 7	.5	Overburden of weathered and altered serpentine float with traces of silica-carbonate.
7 - 13	.5	Weathered altered serpentine
13 - 15.5	.5	Highly altered serpentine with some silica-carbonate
15.5 - 17	1.0	Highly altered serpentine with some silica-carbonate
17 - 21.5	.5	Highly altered serpentine with some silica-carbonate
21.5 - 25.5	trace	Highly altered serpentine with some silica-carbonate
25.5 - 84	trace	Gray siliceous clay

DRILL HOLE # 5

Location - 90' SE of Drill Hole #4
Elevation - 1012 feet
Dip - Vertical
Depth - 74'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 8	trace	Overburden of weathered and altered serpentine float with traces of silica-carbonate.
8 - 11	trace	Weathered altered serpentine.
11 - 18	trace	Highly altered serpentine with some silica-carbonate. Slight increase in marcasite from 11' to 18'.
18 - 22	trace	Altered serpentine with zones of dark gray shale.
22 - 29	trace	Dark gray shale, with increase of marcasite from 18' to 31'.
29 - 31.5	trace	Highly altered serpentine with some silica-carbonate.
31.5 - 37	trace	Silica-carbonate that is slightly fractured from 30' to 37', with increase in marcasite from 31' to 37'.
37 - 45.5	trace	Highly altered serpentine with silica-carbonate. Slightly fractured from 37' to 39', with a fault zone from 39' to 42'. Increase in marcasite from 37' to 45'.
45.5 - 50	trace	Highly altered serpentine with some silica-carbonate and also some gray siliceous clay. Slight increase in marcasite.
50 - 60	trace	Gray siliceous clay with zones of highly altered serpentine. Slight increase in marcasite from 50' to 55'.
60 - 74	trace	Gray siliceous clay.

DRILL HOLE # 6

Location - 22' E of previous drill hole #6.

Elevation - 1016

Dip - Vertical

Depth - 124'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 6	trace	Overburden of soil and gravel with weathered altered serpentine.
6 - 8.5	.5	Weathered altered serpentine.
8.5 - 10	1.0	Weathered altered serpentine.
10 - 14	.5	Altered serpentine.
14 - 18	trace	Fault zone containing altered serpentine and silica-carbonate. Slight increase in marcasite from 17' to 18'.
18 - 21	trace	Silica-carbonate with increase in marcasite.
21 - 30	.5	Highly altered serpentine with some silica-carbonate and some increase in marcasite from 21' to 27'.
30 - 34	trace	Appears to be fault zone of highly altered serpentine with some silica-carbonate.
34 - 44	trace	Highly altered serpentine with some silica-carbonate and a slight increase in marcasite.
44 - 52	trace	Gray siliceous clay.
52 - 54.5	trace	Highly altered serpentine.
54.5 - 72.5	trace	Gray siliceous clay.
72.5 - 76.5	trace	Altered fine grained serpentine.
76.5 - 82	trace	Gray siliceous clay.
82 - 86	trace	Very siliceous gray clay.
86 - 92	trace	Gray siliceous clay.
92 - 95	trace	Very siliceous gray clay
95 - 102	trace	Gray clay.
102 - 114	trace	Very siliceous gray clay.
114 - 120	trace	Gray clay.
120 - 124	trace	Gray siliceous clay.

DRILL HOLE # 7

Location - 117' E of drill hole #6
Elevation - 1015
Dip - Vertical
Depth - 134'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 7	trace	Overburden of soil, gravel and altered serpentine.
7 - 19	trace	Altered serpentine.
19 - 49	trace	Gray clay and gray shale.
49 - 50	trace	Highly altered serpentine with some silica-carbonate.
50 - 51.5	trace	Silica-carbonate with some highly altered serpentine.
51.5 - 54	.5	Silica-carbonate with an increase in marcasite from 51.5' to 54'.
54 - 61.5	trace	Silica-carbonate, fractured from 57' to 60'. Containing an increase in marcasite from 54' to 60', and good marcasite, approximately 1% marcasite from 60' to 61.5'
61.5 - 64	trace	Silica-carbonate with some highly altered serpentine.
64 - 79	trace	Highly altered serpentine with some silica-carbonate.
79 - 89.5	trace	Gray clay.
89.5 - 90	trace	Altered light green serpentine.
90 - 91.5	.5	Altered light green serpentine.
91.5 - 93	trace	Altered light green serpentine.
93 - 97	trace	Gray clay.
97 - 99	trace	Fractured very siliceous gray clay.
99 - 107	trace	Gray clay.
107 - 114	trace	Very siliceous gray clay.
114 - 120	trace	Gray clay.
120 - 128	trace	Siliceous gray clay.
128 - 134	trace	Gray clay.

DRILL HOLE # 8

Location - 15' east of proposed drill hole # 17

Elevation - 1019

Dip - Vertical

Depth - 104'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 5	trace	Overburden of soil, gravel and altered serpentine.
5 - 7	trace	Altered serpentine.
7 - 8.5	1.0	Altered serpentine with some increase in marcasite over normal.
8.5 - 10	2.0	Fractured silica-carbonate with some increase in marcasite over normal. Possible fault zone.
10 - 11.5	4.0	Fractured silica-carbonate with some increase in marcasite over normal.
11.5 - 14	4.2	Fractured silica-carbonate with some increase in marcasite over normal. Had this 2.5', sample # 10/18/61-7 analyzed at Abbot Hanks, content was 4.2 Lbs/Hg/ton.
14 - 17	2.0	Fractured silica-carbonate with some increase in marcasite over normal.
17 - 18.5	1.0	Fractured silica-carbonate, containing a large amount of marcasite, at least 2%. Possible fault zone.
18.5 - 27	trace	Fractured silica-carbonate, containing about 1.5% marcasite.
27 - 44'	trace	Highly altered serpentine with some increase in marcasite over normal.
44 - 61.5	trace	Highly altered serpentine.
61.5 - 64	.5	Highly altered serpentine.
64 - 70	trace	Highly altered serpentine.
70 - 85	trace	Siliceous gray claystone.
85 - 88	trace	Siliceous gray claystone with some white clay.
88 - 104	trace	Siliceous gray claystone.

DRILL HOLE # 9

Location - 15' east of proposed drill hole # 12

Elevation - 1020

Dip - Vertical

Depth - 144'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 5	trace	Overburden of soil, gravel, altered serpentine and silica-carbonate.
5 - 16	trace	Silica-carbonate.
16 - 20	trace	Fractured silica-carbonate with some increase in marcasite over normal.
20 - 21.5	1.0	Fractured silica-carbonate with about 1.5% marcasite. Possible fault zone.
21.5 - 31	trace	Silica-carbonate with some increase in marcasite over normal.
31 - 37	trace	Highly altered serpentine containing considerable white clay and some increase in marcasite over normal. Possible fault zone.
37 - 61.5	trace	Highly altered serpentine.
61.5 - 64	.5	Highly altered serpentine.
64 - 77	trace	Siliceous gray claystone.
77 - 79	trace	Siliceous gray claystone with about 70% white clay. Possible fault zone.
79 - 121	trace	Siliceous gray claystone.
121 - 126	trace	Highly altered serpentine with considerable greenish white clay. Possible fault zone.
126 - 144	trace	Siliceous gray claystone.

DRILL HOLE # 10

Location - 210' northeast of drill hole # 8
Elevation - 1016
Dip - Vertical
Depth - 144'

Interval foot	Estimated Lbs/Hg/ton	Structure and Formation
0 - 6	trace	Overburden of soil, gravel, shale and altered serpentine.
6 - 11.5	trace	Altered serpentine
11.5 - 14	2.0	Altered serpentine
14 - 15.5	0.6	Altered serpentine
15.5 - 17	trace	Altered serpentine
17 - 18	0.7	Altered serpentine
18 - 67	trace	Gray clay and shale
67 - 72	trace	Siliceous gray clay and shale.
72 - 74	0.3	Silica-carbonate and altered serpentine. Increase in marcasite over normal. Fractured from 72' to 73', probable fault zone.
74 - 77	trace	Highly altered serpentine with some silica carbonate. Increase in marcasite over normal.
77 - 92	trace	Highly altered serpentine. Increase in marcasite over normal.
92 - 105	trace	Very siliceous highly altered serpentine.
105 - 130	trace	Siliceous gray clay and shale.
130 - 144	trace	Gray clay and shale.

DRILL HOLE # 11

Location - 43' west of previous drill hole # 5
Elevation - 1015
Dip - Vertical
Depth - 124'

Interval foot	Estimated Lbs/Hg/ton	Structure and Formation
0 - 5	trace	Overburden of soil, gravel and serpentine.
5 - 10.5	trace	Semi altered bluish green serpentine.
10.5 - 13	trace	Gray brown Clay, possible fractured zone.
13 - 25	trace	Highly altered serpentine.
25 - 28	trace	Gray clay containing a few pieces of silica with traces of cinnabar on them.
28 - 45	trace	Highly altered serpentine.
45 - 56	trace	Lightly altered serpentine.
56 - 58	trace	Semi altered serpentine, slightly fractured.
58 - 85	trace	Semi altered serpentine.
85 - 95	trace	Highly altered serpentine. Slight increase in marcasite.
95 - 104	trace	Highly siliceous greenish gray clay with slight amounts of marcasite.
104 - 112	trace	Highly siliceous gray clay.
112 - 124	trace	Siliceous gray clay.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/21	[illegible]	120
"	[illegible]	110
		100
	[illegible]	500
		800
		500
		~~225~~

March 21, 1962

Memorandum

To: Files

From: Chief, Division of Field Operations

Subject: OME-6092, Contract 2122, William R. Noack, Region II
OME-6117, Contract 2127, Aetna Springs Mine, Region II
OME-6197, Kansas City Exploration, Inc., Region II
OME-6218, Russell L. Dowell, Region II

Mr. Fillo telephoned today chiefly for information concerning Noack's new application for additional work, OME-6092. He didn't quite know how the requested additional work could be handled as an amendment to the existing contract. Both he and Mr. Dietrich were under the impression that the over-all money amount under a contract could not be increased. The amending of existing contracts for additional work and monies was explained to him.

He mentioned that they had been trying to get in touch with Russell L. Dowell, OME-6218, and had been unable to do so. Mr. Fillo, to put it bluntly, thought the man was off his rocker. He stated that he didn't have any money and that someone else was writing his letters.

He plans to send in the on-site report on Majuba Hill, OME-6197, in the next day or two.

He will submit the final reports on Aetna Springs, OME-6117, and Noack, OME-6092.

He also mentioned that he was losing his girl within two weeks and that things would be a little more hectic until a new girl was broken in. The writer suggested to him that if he had any questions concerning policy, especially with the payment of vouchers, just to drop us an air mail letter and we would gladly answer any questions he might have.

He mentioned that he was getting quite a number of inquiries from Mr. Talbert concerning DMEA dockets and he would try to stay on top of them. Apparently he has found the Region II files in poorer order

than some others he had handled in Region III.

When discussing reports, the writer explained to Mr. Fillo that we were making every effort to write as many contracts as was legitimately possible before July 1. Mention was made that preference might be given to the better appearing applications and that some types of work might be left pending until later in the year if additional on-site examinations of interesting projects were pending. Mr. Fillo stated he would do all he could toward expediting the on-site reports.

George C. Selfridge

GCSelfridge/hb (3/22/62)
cc to: Docket OME-6092
Docket OME-6117
Docket OME-6197
Docket OME-6218
Director's Reading File
G. C. Selfridge
CA&A Division
Code 500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

March 20, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 22 1962

DATE	INITIALS	CODE
3/22	Hoet	500
3/23	S.O.H.	

Air Mail

Memorandum

To: Chief, Division of Field Operations, OME
Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. Idm-E 2127

Enclosed are the Government's, Fiscal, and Audit's copies of the Termination Agreement to the subject contract, signed by the Operator.

Paul V. Fillo

Paul V. Fillo

Enclosures 3

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/20	Talbert	800
3/20	[illegible]	120
"	Johnson	110
3/20	Finnch	100
3/20	Cae	225
3/21	S.P.H.	500

MAR 2 0 1962

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California
Contract 2127

Your recent submission to the Department's Fiscal Section of the subject Operator's November-December 1961 MME Form 60 was not in accordance with regulations regarding the payment of final vouchers.

As a result of a Comptroller General's decision on March 20, 1952, regulations were promulgated to require that final payments to Operators be made only after issuance of an Audit Certificate or a Report of Review in lieu thereof by the Contract Administration and Audit Division. The basic regulations are set forth in DMEA Circular 19, dated April 17, 1952, and Supplements 3 and 4 thereto, dated June 16, 1952, and October 9, 1952. The actual audit and review procedures set forth in DMEA Circular 19 and its supplements has been superseded by OME Circular 2, dated February 17, 1960.

I recognize that, during the short period that you have been Acting Field Officer, you could not become fully acquainted with all of our procedures and regulations. However, in order to avoid future unauthorized final payments, it is suggested that you refer to the aforementioned issuances.

George C. Selfridge

(2/3)

EDTalbert/hb (3/20/62)
cc to: Docket OME-6117
Director's Reading File
CA&A Div.

43683

MME FORM 60
SEPT. 1959

Reviewed ~~Hoot~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Seh 1338

MAR 16 1962

Docket No. OME 6117
Contract No. 14-23-090-Tdm-E 2127
Contract Amount $ 17,640.00
Gov't Participation 50 % $ 8,820.00
Mineral(s) Mercury

OPERATOR'S MONTHLY VOUCHER

For Month of Nov., Dec. 1961

Operator's Name Aetna Springs Mine
Address 66 Brookwood Road, Orinda, Calif.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		42.00	42.00			
Drifting						
Crosscutting						
Drilling CORE		66.40	66.40			
ROTARY	1,018.40	3,553.00	4,571.40			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work		5.00	5.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1,018.40	3,666.40	4,684.80	1018.40	3,666.40	4,684.80

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Jan 15, 1962 *Payee Aetna Springs Mine

Per Elio R. Giusti Title Geologist, Partner

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 509.20

Signature ORS
(Authorized Certifying Officer)

Date 3/13/62 Vou. No. 4097

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2127

Signature Paul V. Gillo Title Acting Field Officer OME Region II Date March 5, 1962

Approved by OME Executive Officer or Alternate:

Signature Paul V. Gillo Title Acting Field Officer OME - Region II Date March 5, 1962

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Nov., Dec. 1961 Docket No. OME 6117

Operator's Name Aetna Springs Mine Contract No. 14-23-090- Idm-E 2127

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	150		8	66.40			
Rotary	2025	268	1203	4571.40	✓		
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching	10hr		3.5	42.00			
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work One sample analyzed				5.00			
TOTAL TO DATE *(per MME Form 60)*				$ 4684.80			

REMARKS

See following pages

(Continue on back)

REMARKS

(Continue on back)

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

Date Jan 15, 1962 Operator Aetna Springs Mine

Per Elio R. Giusti Title Geologist Partner

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Paul V. Gillo

Title Acting Field Officer, OME, Region II
Government Representative

Date March 5, 1962

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

WORK REPORT

Aetna Springs Mine

Docket # OME-6117

Contract # Idm-E 2127

November, December 1961

The results of our first nine drill holes have been very disappointing in that all favorable indications have been near the surface. As the area that we are exploring is a developed resort, I cannot mine any ore in the first fifty feet of ground at depth, according to the terms of my lease. Below forty feet in depth we have encountered no commercial ore, and in fact our indications have become poorer and poorer the deeper we go.

We decided that it was going to be impossible to find a large enough quantity of ore to be profitable to mine in the area that had been previously explored. It was planned to put our tenth hole quite a distance to the east to explore that area, so that we could prove or disprove the need for more work in the northeast area.

The results of drill hole # 10 were about what we feared they would be. We drilled into altered serpentine at 6' and found some slight mineralization from 11' to 18'. The amount was too small to be of any value as a possible ore zone. We left the altered serpentine at 18' and had gray clays and shale until 72'. At 72' we drilled into altered serpentine that consisted of some silica-carbonate and very minor cinnabar, about 0.3 lbs/ton. This zone was fractured and contained fair marcasite. This appeared to be the continuation at depth of the possible ore zone found in drill hole # 8 (from 10' to 17'). We continued in altered serpentine until 105' were we encountered gray clay and shale again. We stayed in gray clay and shale until 144' where we decided to stop the hole. From the results of this hole we decided that it would be useless to do anymore drilling in the northeast area.

OPR's FINAL REPORT

Our first five drill holes explored the area to the north, finding poor indications at depth. Drill hole # 10 disproved the northeast area, and drill holes # 6 and # 7 were unable to find commercial ore in the southeast area. As the old mine workings were placed in the creek to the south, it would not prove of any value to explore this area, as any ore body found would probably be too small to mine. We had good indications in drill holes #4, # 5, and # 6 that were drilled before obtaining the government exploration loan. These holes were drilled to the west and gave some indications of a possibility in that area. Drill hole # 11 was planned to explore the area to the west in order to prove or disprove it.

Drill hole # 11 encountered semi altered serpentine at 5' and continued in it until 95'. The best indications of cinnabar were found from 25' to 28' where cinnabar was found on a few silica chips, but even here it could only be called a trace. From 95' to 124' we drilled in siliceous gray clays. There was a slight increase in marcasite from 85' to 104', but not enough to be used as any indication of a possible ore zone nearby. We stopped the hole in the siliceous gray clays at 124'. The results of drill hole # 11 disprove the possibility of any ore to the west, and for this reason we are going to stop drilling and try to re-examine the potential of the property again.

Elio R. Giusti

Elio R. Giusti
Geologist

DRILL HOLE # 10

Location - 210' northeast of drill hole # 8
Elevation - 1016
Dip - Vertical
Depth - 144'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 6	trace	Overburden of soil, gravel, shale and altered serpentine.
6 - 11.5	trace	Altered serpentine
11.5 - 14	2.0	Altered serpentine
14 - 15.5	0.6	Altered serpentine
15.5 - 17	trace	Altered serpentine
17 - 18	0.7	Altered serpentine
18 - 67	trace	Gray clay and shale
67 - 72	trace	Siliceous gray clay and shale.
72 - 74	0.3	Silica-carbonate and altered serpentine. Increase in marcasite over normal. Fractured from 72' to 73', probable fault zone.
74 - 77	trace	Highly altered serpentine with some silica carbonate. Increase in marcasite over normal.
77 - 92	trace	Highly altered serpentine. Increase in marcasite over normal.
92 - 105	trace	Very siliceous highly altered serpentine.
105 - 130	trace	Siliceous gray clay and shale.
130 - 144	trace	Gray clay and shale.

DRILL HOLE # 11

Location - 43' west of previous drill hole # 5

Elevation - 1015

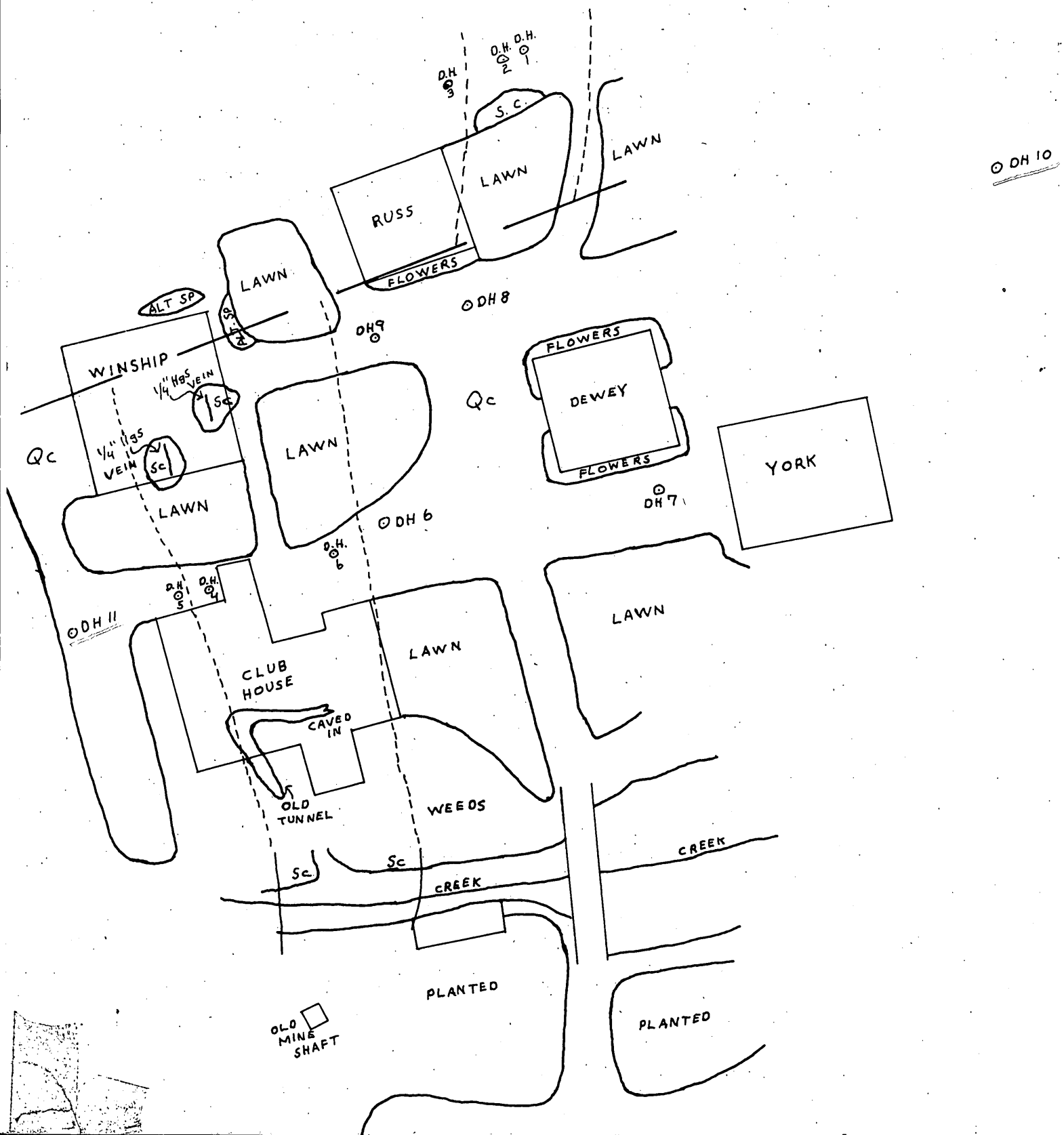
Dip - Vertical

Depth - 124'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 5	trace	Overburden of soil, gravel and serpentine.
5 - 10.5	trace	Semi altered blueish green serpentine.
10.5 - 13	trace	Gray brown Clay, possible fractured zone.
13 - 25	trace	Highly altered serpentine.
25 - 28	trace	Gray clay containing a few pieces of silica with traces of cinnabar on them.
28 - 45	trace	Highly altered serpentine.
45 - 56	trace	Lightly altered serpentine.
56 - 58	trace	Semi altered serpentine, slightly fractured.
58 - 85	trace	Semi altered serpentine.
85 - 95	trace	Highly altered serpentine. Slight increase in marcasite.
95 - 104	trace	Highly siliceous greenish gray clay with slight amounts of marcasite.
104 - 112	trace	Highly siliceous gray clay.
112 - 124	trace	Siliceous gray clay.

LOCATION OF DRILL HOLES

10 - # 11



Re-examination of Aetna Springs Mine

Upon the completion of drill hole #11, we discontinued drilling and decided to re-examine the property. This consisted of rechecking the surface indications, our logs on the drill holes, and some of the cuttings.

The structure appears to be a northeasterly trending fault zone along which serpentine is now exposed for a distance of over a mile in length. In the area of Aetna Springs this has been altered by mineralization to silica-carbonate for a distance of about 500'. This silica-carbonate in turn is cut by a series of cross faults, and appears as displaced outcrops as you go northeasterly. The overall structure appears to be sightly dipping layers of clays and shales containing zones of serpentine. The dip is about 20° to 30° to the east and appears to come to a possible slight anticlinal fold in the area of the silica-carbonate outcrops. It appears as though the mineralizing solutions which entered along the fault zone were probably semi capped by the possible folded formation and were then able to alter the fractured serpentine in the top of the light fold, into silica-carbonate. As you go down dip to the east (about 20° dip) the thickness of the silica-carbonate decreases considerably and the marcasite and cinnabar content becomes almost none existant.

The only good indications of cinnabar have been in the top 30' of ground in the area in front of the Aetna Springs Club House. Our drill holes have been very disappointing and have only succeded in proving that any commercial ore found will probably be in small pockets, and will not pay to mine because of the added restrictions on our lease, necessary to protect the resort (50' of backs). On the basis that our drill holes have disproved any possible large ore zones to the west, north, and east of the club house; and that the old mine workings are to the south, we feel

that the property does not justify any further exploration. We realize that we have used only about one-quarter of the exploration contract amount, but we feel that there would be nothing gained by spending more of our money, or the governments money on the property. We are thus planning on closing down operations and hope that you agree with us and give us your consent.

Thank you kindly for your co-operation and your assistance.

Elio R. Giusti

Elio R. Giusti
Geologist and Major Partner

RECEIVED
MAR 7 1962
OFFICE OF THE SECRETARY
FISCAL SECTION

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/6	Holt	500
3/6	Talbut	800
3/6	On leave	130
"	Johnson	110
3/6	Kennedy	100
3/6	Coe	220
		500

MAR 6 - 1962

MEMORANDUM

To: Acting Field Officer, Region II

From: ACTING Chief, Division of Field Operations

Subject: OME-6117 (Mercury(
Aetna Springs Mine
Aetna Springs Mine
Napa County, California
Contract 2127

In accordance with your memorandum of January 29, 1962, we are enclosing the original and four copies of a proposed Termination Agreement (two pages) to the subject contract, signed by the Director for the Government.

If the proposed termination agreement is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain its copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

If any part of the proposed termination agreement does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

The Operator's final (Nov. - Dec. 1961) MME Forms 60 and 61, which are also enclosed, have been reviewed by the Contract Administration and Audit Division. Accordingly, resubmission will not be required at such time as you request a Report of Review in accordance with OME Circular 2.

/s/ A. R. Dwinell

Enclosures

SPHolt/gla
3-6-62
cc to: Director's Reading File
Review Committee
Contract Division
Docket

43683

DRAFT
2/27/62
SPHolt/gla

Draft of Termination Agreement
for the docket

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Aetna Springs Mine, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2127 (Docket No. OME-6117), dated June 30, 1961, hereinafter called the "Contract," that:

1. Effective February 1, 1962, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date and, thereafter, shall contribute to allowable costs incurred in performing winding-up and settlement actions provided for in the Contract, including the making and rendering of reports and accounts.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including --

(a) the furnishing to the Government of five copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports, including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

AETNA SPRINGS MINE

By_____

Title_____

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 2 1962

DATE	INITIALS	
		~~120~~
2/5/6	Hoet S.T.H	500
2/4/7	[illegible]	800
		500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

January 29, 1962

Memorandum

To: Chief, Division of Field Operations, OME
Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. OME-6117 (Mercury)
Elio R. Giusti & Robert Gary Baker
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. Idm-E 2127

The operators have completed eleven drill holes totaling 1211 feet and failed to intersect mineralization of commercial grade. The operator therefore requests termination of the contract.

On the basis of information obtained from the operator, we conclude that further exploratory drilling and contingent expense does not appear justified.

Accordingly, in the best interests of the Government and the operators, we hereby recommend termination of the contract. we further recommend that certification of a discovery is not justified.

Note

Work performed by the operator and costs of the work are as follows:

Bulldozing	3 1/2 hrs.	$ 42.00
Core drilling	8 feet	66.40
Rotary drilling	1203 "	4,571.40
One sample analyzed		5.00
		$4,684.80

If you agree to the operators request and our recommendation, will you please prepare the Termination Agreement.

For: Paul V. Fillo

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O M E
RECEIVED NOV 22 1961

DATE	INITIALS	
11/22	[illegible]	800
11/27	[illegible]	500
		500
11/29	[illegible]	500

November 13, 1961

Memorandum

To: Fiscal Section
Division of Administrative Services
Office of Minerals Exploration
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region 11

Subject: OME-6117 (Mercury)
Elio R. Giusti & Robert Gary Baker
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. 2127

Enclosed are the original and two copies of the operator's voucher and progress report, with attached narrative, map and assay report, covering the progress of this project during the month of October, 1961.

The voucher has been checked in this office, found to comply with the contract specifications and payment of the Government participation is recommended.

GLENN G. GENTRY

Glenn G. Gentry

Enclosures 3

cc: Chief, Division of Field Operations, OME
Washington 25, D. C.

Sch 809

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6117
Contract No. 14-23-090-Idm-E 2127
Contract Amount $ 17,640.00
Gov't. Participation % 50 $ 8,820.00
Mineral(s) Mercury

OPERATOR'S MONTHLY VOUCHER

For Month of October 1961

Operator's Name Aetna Springs Mine
Address 1625 Madrona Ave. St. Helena, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		42.00	42.00			
Drifting						
Crosscutting						
Drilling Core		66.40	66.40			
Rotary	942.40	2,610.60	3,553.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	5.00		5.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	947.40	2,719.00	3,666.40	947.40	2,719.00	3,666.40

EXTRA COPY
O. M. E
RECEIVED NOV 24 1961

DATE	INITIALS	CODE
11-27	[illegible]	
11/24	[illegible]	100
		110
		140
		500

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 9, 1961 *Payee Aetna Springs Mine

Per Elio R. Giusti Title Partner, Geologist

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 473.70

Signature [illegible]
(Authorized Certifying Officer)

Date 11/21/61 Vou. No. 2460

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2127

Signature [illegible] Title Acting Field Officer Date Nov. 13-1961

Approved by OME Executive Officer or Alternate: OME-Region A

Signature [illegible] Title Acting Field Officer Date Nov. 13, 1961

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM-61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of October 1961 Docket No. OME 6117

Operator's Name Aetna Springs Mine Contract No. 14-23-090- Idm-E 2127

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond	150		8	66.40			
Rotary	2025	248	935	3,553.00			
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching	10hr		3.5	42.00			
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work One Sample Analyzed				5.00			
TOTAL TO DATE *(per MME Form 60)*				3,666.40			

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DATE INITIALS CODE

REMARKS

See Following Pages

(Continue on back)

REMARKS

(Continue on back)

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

Date Nov. 9, 1961 Operator Aetna Springs Mine

Per Elio R. Giusti Title Partner, Geologist

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Officer
Government Representative

Date OME-Regional Nov 24 1961

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

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DATE	INITIALS	CODE

WORK REPORT
Aetna Springs Mine
Docket # OME-6117
Contract # Idm-E 2127
October 1961

Drill holes #8 and #9 were planned to explore for and along a potential fault zone that displaces the silica-carbonate outcrops going north. From the results of drill holes #8 and #9, it appears that the potential fault zone probably occurs beneath the cabin called Russ.

Drill hole #8 encountered some indications of cinnabar from 7' to 18' (see description of drill hole #8) with the largest amount occuring from 11.5' to 14'. We had this zone (sample # 10/18/61-7) analyzed by Abbot Hanks. The mercury content was determined to be 4.2 lbs/Hg/ton. We drilled through the silica-carbonate at 27' into highly altered serpentine and then into siliceous gray claystone at 70'. We encountered a slight amount of cinnabar in the highly altered serpentine from 61.5' to 64' but it will barely go .5 lbs/Hg/ton.

Located drill hole #9 further west going toward the silica-carbonate outcrop with the small cinnabar veins, under the Winship cabin. We drilled into silica-carbonate at 5' and stayed in it until 31'. The only fair indications of cinnabar were from 20' to 21.5' where it will go about 1.0 lbs/Hg/ton. We entered into highly altered serpentine at 31' and stayed in it until 64'. From 61.5' to 64' there was a slight increase in cinnabar to about .5 lbs/Hg/ton. We entered siliceous gray claystones at 64' and stayed in them until 144' except for a 5' zone of highly altered serpentine along a probable fault zone from 121' to 126'.

Elio R. Giusti
Elio R. Giusti
Geologist

LOCATION OF DRILL HOLES

8 - # 9

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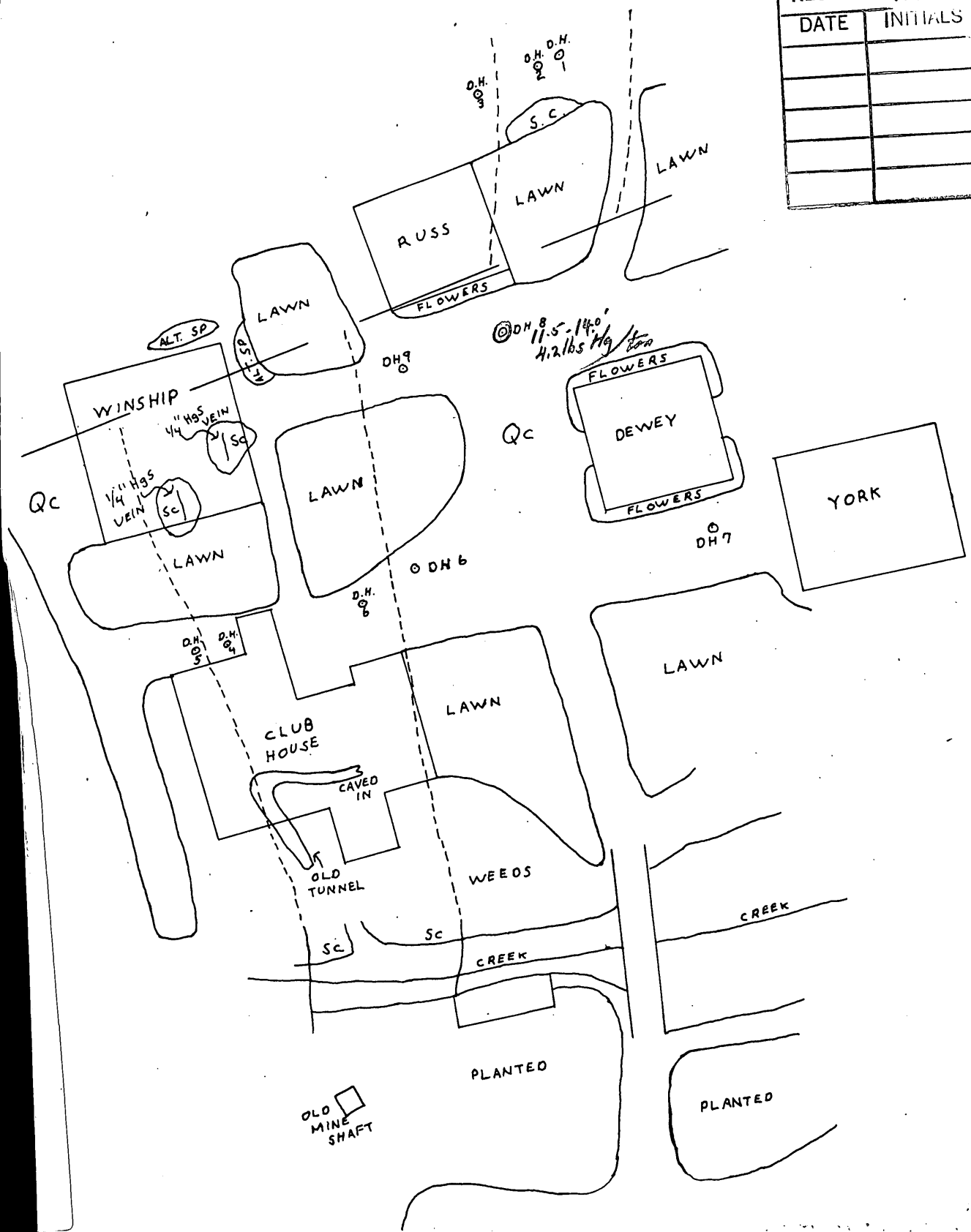

DRILL HOLE # 8

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DATE	INITIALS	CODE

Location - 15' east of proposed drill hole # 13
Elevation - 1018
Dip - Vertical
Depth - 104'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 5	trace	Overburden of soil, gravel and altered serpentine.
5 - 7	trace	Altered serpentine.
7 - 8.5	1.0	Altered serpentine with some increase in marcasite over normal.
8.5 - 10	2.0	Fractured silica-carbonate with some increase in marcasite over normal. Possible fault zone.
10 - 11.5	4.0	Fractured silica-carbonate with some increase in marcasite over normal.
11.5 - 14	4.2	Fractured silica-carbonate with some increase in marcasite over normal. Had this 2.5', sample # 10/18/61-7 analyzed at Abbot Hanks, content was 4.2 Lbs/Hg/ton.
14 - 17	2.0	Fractured silica-carbonate with some increase in marcasite over normal.
17 - 18.5	1.0	Fractured silica-carbonate, containing a large amount of marcasite, at least 2%. Possible fault zone.
18.5 - 27	trace	Fractured silica-carbonate, containing about 1.5% marcasite.
27 - 44'	trace	Highly altered serpentine with some increase in marcasite over normal.
44 - 61.5	trace	Highly altered serpentine.
61.5 - 64	.5	Highly altered serpentine.
64 - 70	trace	Highly altered serpentine.
70 - 85	trace	Siliceous gray claystone.
85 - 88	trace	Siliceous gray claystone with some white clay.
88 - 104	trace	Siliceous gray claystone.

DRILL HOLE # 9

Location - 15' east of proposed drill hole # 12

Elevation - 1020

Dip - Vertical

Depth - 144'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 5	trace	Overburden of soil, gravel, altered serpentine and silica-carbonate.
5 - 16	trace	Silica-carbonate.
16 - 20	trace	Fractured silica-carbonate with some increase in marcasite over normal.
20 - 21.5	1.0	Fractured silica-carbonate with about 1.5% marcasite. Possible fault zone.
21.5 - 31	trace	Silica-carbonate with some increase in marcasite over normal.
31 - 37	trace	Highly altered serpentine containing considerable white clay and some increase in marcasite over normal. Possible fault zone.
37 - 61.5	trace	Highly altered serpentine.
61.5 - 64	.5	Highly altered serpentine.
64 - 77	trace	Siliceous gray claystone.
77 - 79	trace	Siliceous gray claystone with about 70% white clay. Possible fault zone.
79 - 121	trace	Siliceous gray claystone.
121 - 126	trace	Highly altered serpentine with considerable greenish white clay. Possible fault zone.
126 - 144	trace	Siliceous gray claystone.

BRANCH LABORATORY: 1086 MARTIN AVENUE • SANTA CLARA • CHERRY 8-5262
BRANCH OFFICE: 10 DE LUCA PLACE • SAN RAFAEL • GLENWOOD 4-8650

CABLE: HANX

ABBOT A. HANKS, INC.

ESTABLISHED 1866

1300 SANSOME STREET • SAN FRANCISCO 11, CALIFORNIA • EXBROOK 7-2464

Engineers
Assayers
Chemists
Metallurgists
Spectrographers
Soils and Foundations
Consulting · Testing · Inspecting

LABORATORY REPORT

November 2, 1961

Deposited by: Aetna Springs Mine
1625 Madrona Avenue
St. Helena, California

Sample of ORE

Percentages

Labty. No.	Mark	MERCURY
C117033	10/18/61-7	4.2 lbs/ton

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DATE	INITIALS	CODE

ABBOT A. HANKS, INC.

By Ralph A. Nice

lm

CA-105

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

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DATE	INITIALS	CODE
10/31	[illegible]	800
		~~500~~
11/1	Noel S.H.H.	500
11/7	~~Recorded~~	500
~~11/8~~	~~Noel S.H.H.~~	500

see vouchers underneath
need this date

October 26, 1961

OME-6117
E-2127

Airmail

Memorandum

To: Glenn G. Gentry
Acting Field Officer, OME, Region II

From: Chief, Accounting Unit

Subject: M4E Forms 60 & 61 for Aetna Springs Mine

Returned herewith are Forms 60 & 61 in triplicate for Aetna Springs Mine covering work performed in the month of September 1961. These are being returned because they have not been signed by you as required by OME regulations.

(Sgd.) Opal A. Shelton

Enclosures
CC: Copy to OME, Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

October 17, 1961

Official ~~EXTRA~~ COPY
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10/23 800 500

Memorandum

To: Fiscal Section,
Division of Administrative Services
Office of Minerals Exploration
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region II

Subject: OME-6117 (Mercury)
Elio R. Giusti & Robert Gary Baker
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. 2127

Enclosed herewith are the original and two copies of the operator's voucher and progress report, with attached narrative and map, covering the progress of the project during the month of September, 1961.

The voucher has been checked in this office, found to comply with the contract specifications and payment of the Government participation is recommended.

GLENN G. GENTRY

Hilda Henson

By: H. H.

For: Glenn G. Gentry

Enclosures 3

Copy to: Chief, Division of Field Operations, OME
Washington, D. C.

Sch 700

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6117
Contract No. 14-23-090-Idm-E 2127
Contract Amount $17,640.00
Gov't. Participation % 50 $ 8,820.00
Mineral(s) Mercury

OPERATOR'S MONTHLY VOUCHER

For Month of September 1961

Operator's Name Aetna Springs Mine
Address 1625 Madrona Ave., St. Helena, Calif.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		42.00	42.00			
Drifting						
Crosscutting						
Drilling Core		66.40	66.40			
Rotary	1261.60	1349.00	2610.60			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1261.60	1457.40	2719.00	1261.60	1457.40	2719.00

EXTRA COPY
O. M. E.
RECEIVED NOV 6 1961

DATE	INITIALS	CODE
11/7	[illegible]	100
11/7	[illegible]	110
		100
		100

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct. 13, 1961 *Payee Aetna Springs Mine

Per Elis R. Gmelin Title Partner & Geologist

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 630.80

Signature OAS
(Authorized Certifying Officer)

Date 11/3/61 Vou. No. 2108

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2129

Signature [illegible] Title Acting Field Officer Date Oct-30, 1961

Approved by OME Executive Officer or Alternate: OME, Region II

Signature [illegible] Title Acting Field Officer Date Oct-30, 1961

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of September 1961 Docket No. OME 6117

Operator's Name Aetna Springs Mine Contract No. 14-23-090-Idm-E 2127

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	150		8	66.40			
Rotary	2025	332	687	2,610.60			
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching	10hr		3.5	42.00			
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				2,719.00			

REMARKS

See Following Pages

(Continue on back)

REMARKS

(Continue on back)

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

Date Oct. 13, 1961 Operator Aetna Springs Mine

Per Elio R. Guasti Title Partner, Geologist

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Officer
Government Representative
OME-Region A

Date Oct 30, 1961

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

WORK REPORT
Aetna Springs Mine
Docket # OME-6117
Contract # Idm-E 2127
September 1961

Drill hole #5 was planned to hit the potential ore zone further south and also more at depth. We drilled thru the potential ore zone from 31' to 48' but found only traces of cinnabar. Results were too poor to warrant further analysis. We then decided to drill hole #6, 150' east of hole #5. Drilled to 25' where we lost total circulation. Lost three days trying to obtain circulation and we finally decided that the whole hole would probably need casing. As we have no money allocated for casing we decided to give up this hole and move into the resort area where we hoped drilling would be better. As we did not obtain any results from the hole, we did not include the 25' on our monthly cost reports.

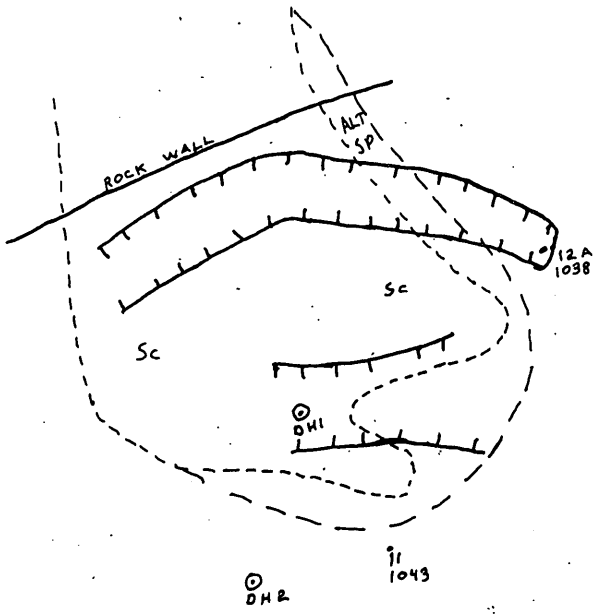
Set up drill hole #6, 22' east of the previous drill hole #6 that was drilled before the loan was obtained. Very good results were obtained from 8' to 15' in the previous drill hole #6. We hoped to hit this zone at greater depth, and also hoped to obtain information on the structure in this area. We passed thru two areas containing minor cinnabar. The first was from 6' to 14' where it will go about .5lb/Hg/ton and the second was from 21' to 30' where it will also go about .5 lb/Hg/ton. Drilled this hole to 124' where we quit in gray clay. Results were too poor to warrant further analysis.

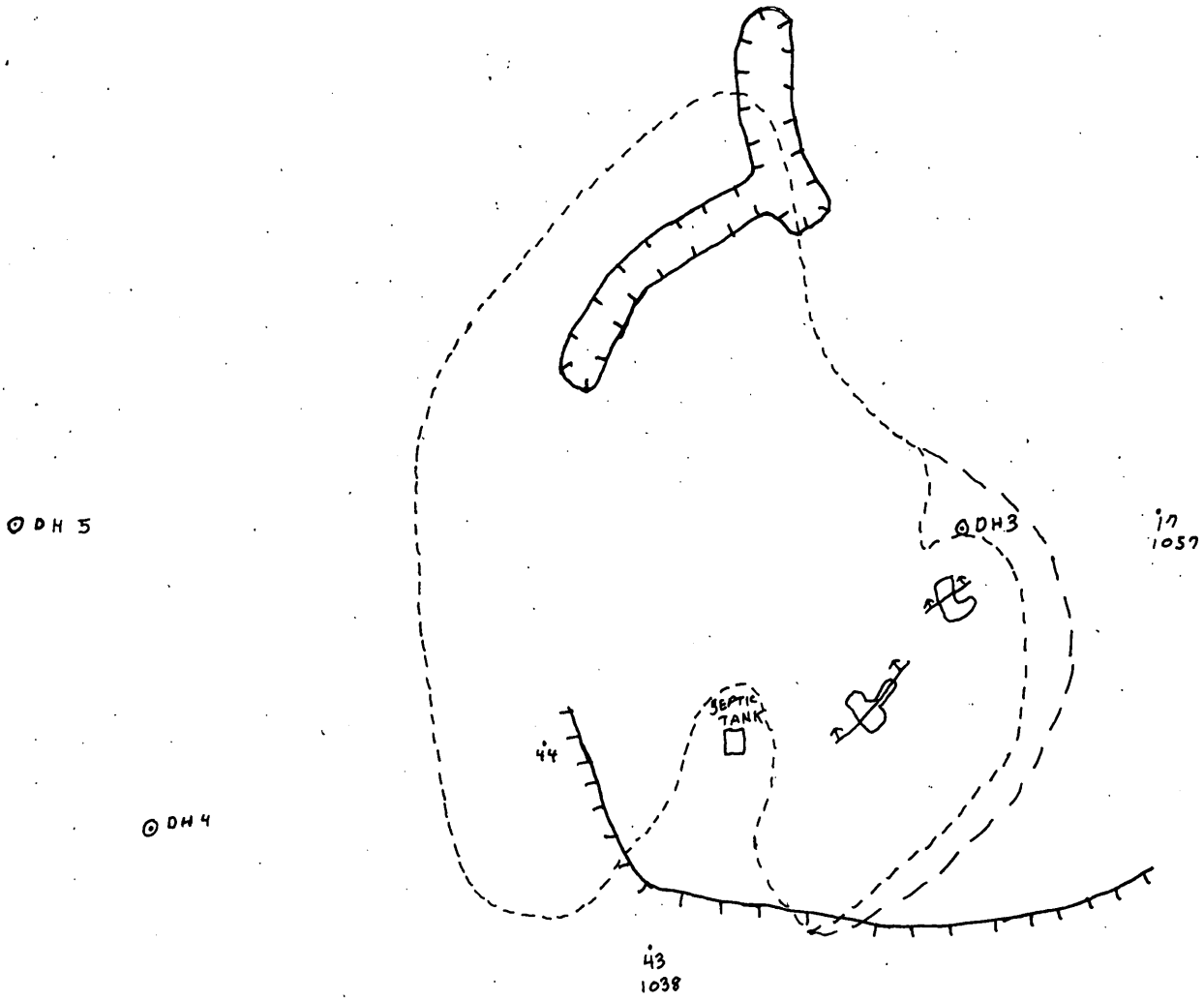
Set up drill hole #7, 117' east of drill hole #6. Purpose of this hole was to explore the potential ore zone at depth. Encountered the potential ore zone from 49' to 79' but found only traces of cinnabar except from 51' to 54' where it will go about .5 lb/Hg/ton. Drilled hole to 134' where we quit in gray clay. Results were too poor to warrant further analysis.

Elio R. Giusti
Elio R. Giusti
Geologist

LOCATION OF DRILL HOLES

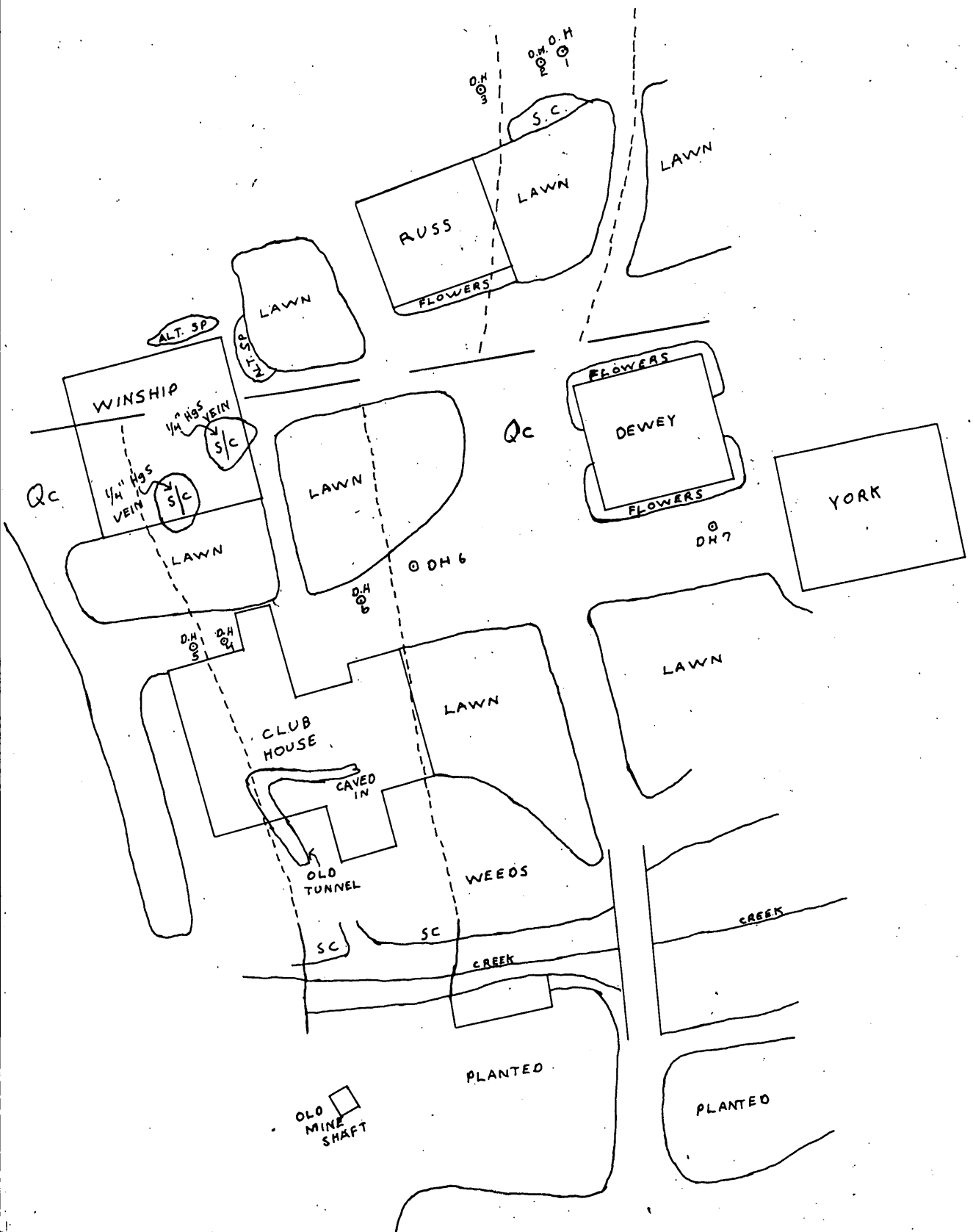
#1 - #2 - #3 - #4 - #5





LOCATION OF DRILL HOLES

#6 - #7



DRILL HOLE # 5

Location - 90' SE of Drill Hole #4
Elevation - 1012 feet
Dip - Vertical
Depth - 74'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 8	trace	Overburden of weathered and altered serpentine float with traces of silica-carbonate.
8 - 11	trace	Weathered altered serpentine.
11 - 18	trace	Highly altered serpentine with some silica-carbonate. Slight increase in marcasite from 11' to 18'.
18 - 22	trace	Altered serpentine with zones of dark gray shale.
22 - 29	trace	Dark gray shale, with increase of marcasite from 18' to 31'.
29 - 31.5	trace	Highly altered serpentine with some silica-carbonate.
31.5 - 37	trace	Silica-carbonate that is slightly fractured from 30' to 37', with increase in marcasite from 31' to 37'.
37 - 45.5	trace	Highly altered serpentine with silica-carbonate. Slightly fractured from 37' to 39', with a fault zone from 39' to 42'. Increase in marcasite from 37' to 45'.
45.5 - 50	trace	Highly altered serpentine with some silica-carbonate and also some gray siliceous clay. Slight increase in marcasite.
50 - 60	trace	Gray siliceous clay with zones of highly altered serpentine. Slight increase in marcasite from 50' to 55'.
60 - 74	trace	Gray siliceous clay.

DRILL HOLE # 6

Location - 22' E of previous drill hole #6.

Elevation - 1016

Dip - Vertical

Depth - 124'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 6	trace	Overburden of soil and gravel with weathered altered serpentine.
6 - 8.5	.5	Weathered altered serpentine.
8.5 - 10	1.0	Weathered altered serpentine.
10 - 14	.5	Altered serpentine.
14 - 18	trace	Fault zone containing altered serpentine and silica-carbonate. Slight increase in marcasite from 17' to 18'.
18 - 21	trace	Silica-carbonate with increase in marcasite.
21 - 30	.5	Highly altered serpentine with some silica-carbonate and some increase in marcasite from 21' to 27'.
30 - 34	trace	Appears to be fault zone of highly altered serpentine with sone silica-carbonate.
34 - 44	trace	Highly altered serpentine with some silica-carbonate and a slight increase in marcasite.
44 - 52	trace	Gray siliceous clay.
52 - 54.5	trace	Highly altered serpentine.
54.5 - 72.5	trace	Gray siliceous clay.
72.5 - 76.5	trace	Altered fine grained serpentine.
76.5 - 82	trace	Gray siliceous clay.
82 - 86	trace	Very siliceous gray clay.
86 - 92	trace	Gray siliceous clay.
92 - 95	trace	Very siliceous gray clay
95 - 102	trace	Gray clay.
102 - 114	trace	Very siliceous gray clay.
114 - 120	trace	Gray clay.
120 - 124	trace	Gray siliceous clay.

DRILL HOLE # 7

Location - 117'' E of drill hole #6

Elevation - 1015

Dip - Vertical

Depth - 134'

Interval feet	Estimated Lbs/Hg/ton	Structure and Formation
0 - 7	trace	Overburden of soil, gravel and altered serpentine.
7 - 19	trace	Altered serpentine.
19 - 49	trace	Gray clay and gray shale.
49 - 50	trace	Highly altered serpentine with some silica-carbonate.
50 - 51.5	trace	Silica-carbonate with some highly altered serpentine.
51.5 - 54	.5	Silica-carbonate with an increase in marcasite from 51.5' to 54'.
54 - 61.5	trace	Silica-carbonate, fractured from 57' to 60'. Containing an increase in marcasite from 54' to 60', and good marcasite, approximately 1% marcasite from 60' to 61.5'
61.5 - 64	trace	Silica-carbonate with some highly altered serpentine.
64 - 79	trace	Highly altered serpentine with some silica-carbonate.
79 - 89.5	trace	Gray clay.
89.5 - 90	trace	Altered light green serpentine.
90 - 91.5	.5	Altered light green serpentine.
91.5 - 93	trace	Altered light green serpentine.
93 - 97	trace	Gray clay.
97 - 99	trace	Fractured very siliceous gray clay.
99 - 107	trace	Gray clay.
107 - 114	trace	Very siliceous gray clay.
114 - 120	trace	Gray clay.
120 - 128	trace	Siliceous gray clay.
128 - 134	trace	Gray clay.

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 21 1961

DATE	INITIALS	CODE
8-21		100
		110
		120
		800
8/22	Received	500
8/23		500

August 17, 1961

Mr. Elio Giusti
Howard Hot Springs
Middletown, California

Re: Docket OME-~~2127~~ 6117 (Mercury)
Aetna Springs Mines
Aetna Springs
Napa County, California
Contract Idm-E 2127

Dear Mr. Giusti:

Reference is made to a copy of

"Presidential Documents,
Title 3--The President
Executive Order 10925"

marked Exhibit "B," attached to and made a part of the subject contract:

Enclosed herewith is a poster entitled "Equal Economic Opportunity." You are requested to post this notice in a conspicuous place available to both employees and applicants for employment.

Your cooperation in this matter will be appreciated.

Very truly yours,

Glenn G. Gentry
Acting Field Officer, OME
Region II

Enclosure

Copy to: Chief, Division of Field Operations, OME
Washington 25, D. C.
OME File

Sch 507

MME FORM 60
SEPT. 1959

SEP 28 1961
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6117
Contract No. 14-23-090-Idm-E 2127
Contract Amount $17,640.00
Gov't. Participation %50 $ 8,820.00
Mineral(s) Mercury

OPERATOR'S MONTHLY VOUCHER

For Month of August 1961

Operator's Name Aetna Springs Mine
Address 1625 Madrona Ave. St. Helena, Calif.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	6.00	36.00	42.00			
Drifting						
Crosscutting						
Drilling Core	66.40		66.40			
Rotary	877.80	471.20	1349.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	950.20	507.20	1457.40	950.20	507.20	1457.40

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 7, 1961 *Payee Aetna Springs Mine

Per Elio R. Giusti Title Partner & Geologist

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 475.00

Signature DAS
(Authorized Certifying Officer)

Date 9/28/61 Vou. No. 1476

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2127

Signature [illegible] Title Acting Field Officer Date Sept. 11, 1961

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title OME Region II Acting Field Officer Date Sept. 11, 1961

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of August 1961 Docket No. OME 6117

Operator's Name Aetna Springs Mine Contract No. 14-23-090- Idm-E 2127

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	150	8'	8	66.40			
Rotary	2025	231	355	1,349.00			
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching	10hr	.5hr	3.5	42.00			
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				1,457.40			

REMARKS

See Following Pages

(Continue on back)

REMARKS

(Continue on back)

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

Date Sept. 7, 1961 Operator Aetna Springs Mine

Per Elie R. Gusti Title Partner & Geologist

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Office Mgr. OME, Region II
Government Representative

Date Sept. 14, 1961

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

WORK REPORT
Aetna Springs Mine
Docket # OME-6117
Contract # Idm-E 2127
August 1961

The indications from drill hole #1 was that the silica-carbonate is actually dipping only slightly to the east. We decided that proposed drill hole #2 should actually be drilled a considerable distance to the east. We will drill this hole later on as we work our way back to that area. We decided that because of the slight dip, proposed drill hole #3 was too far northwest. We drilled this hole more southeast. We located this hole in the weathered serpentine between the two outcrops of silica-carbonate. We drilled this hole to a depth of 134'. The only favorable indications were fron 34' to 46' where we encountered minor silica-carbonate in highly altered serpentine. From 34' to 37' this area was slightly mineralized, about .5 to 1.0 lb./Hg/ton. Decided that the indications did not warrant further analysis.

Set up over our third hole on weathered silica-carbonate 5' northeast from proposed drill hole #4. We drilled to a depth of about 9' where we encountered severe circulation problems. We lost two days trying to obtain circulation, pumping two sacks of beet pulp and three sacks of bentonite and about 4,000 gallons of water down the hole. We would recover up to 50% circulation but upon drilling we would soon lose most of this. At 13' we tried coring with a AX-M series swivel type core barrel, recovering only about 10% of the cuttings. Had to pull out at about 17' because the cuttings were packing around the core barrel and stopped all water flow from the core barrel. The water pressure at the time of pulling was 250-300 lbs/sq/ in. No core recovery was obtained. Started coring again after trying to clean out the hole. Started coring with about 10%cutting recovery again, but at about 21' the cuttings again packed around the

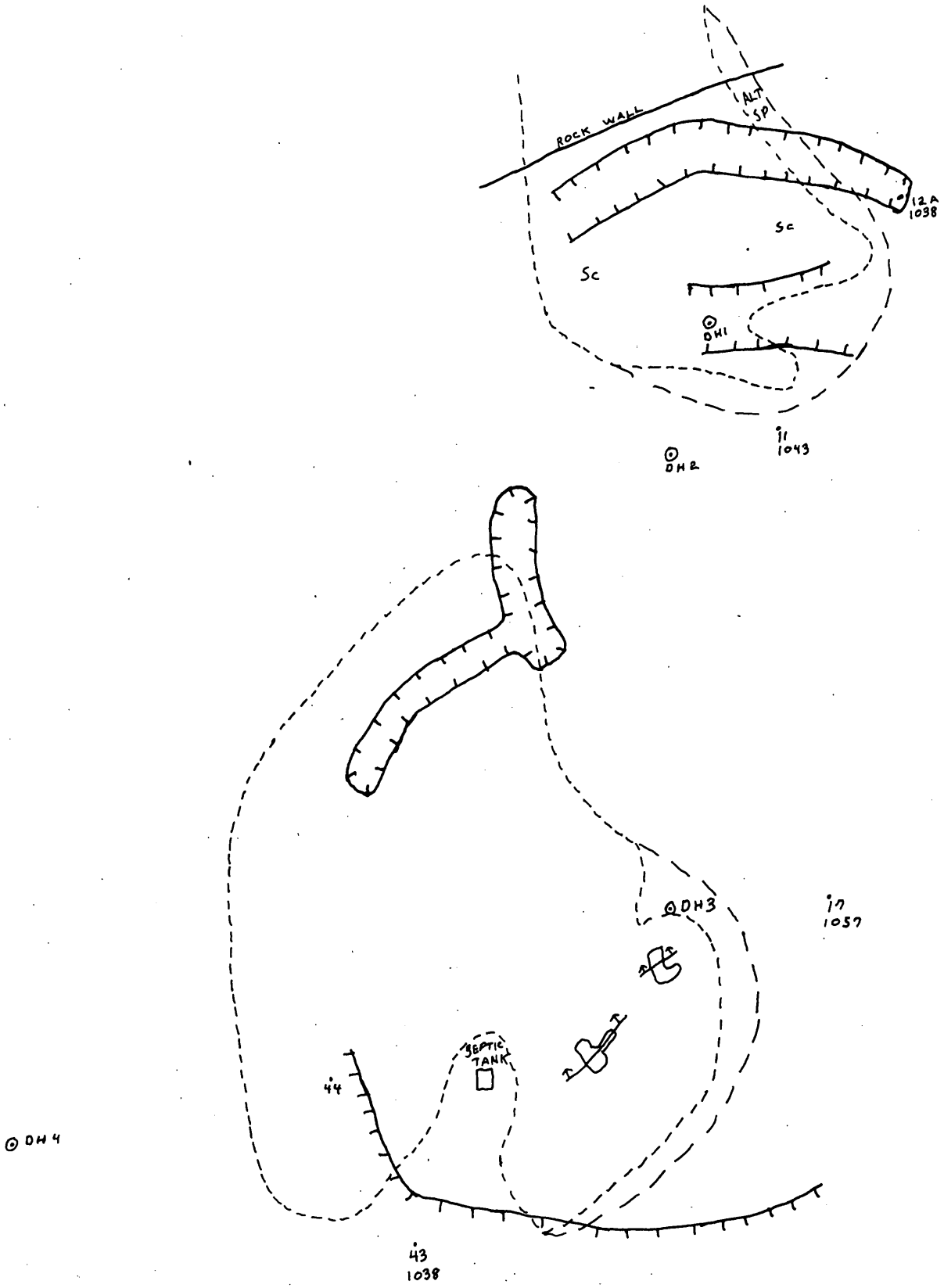
core barrel stopping all water flow, water pressure 250-300 lbs/sq/in. Again we had no core recovery. Panning down the meager cuttings that we had collected, it appears that we were in weathered altered serpentine that contained only traces of cinnabar. Decided that the cinnabar content did not warrant further exploration on this hole under these conditions. It appears that it will do no good to try and core unless we have at least 50% to 75% circulation. With any less circulation we will have to case first and then drill. This will cost more then we have allocated for this, and it does not warrant this expense at this time.

Decided that because of the slight dip to the silica-carbonate we would not obtain enough information from proposed drill holes #5 and #6 and we decided to drill these holes further east. Located our fourth hole 110' further east from proposed drill hole #5. Started drilling in the field on weathered altered serpentine float from the outcrop to the west. Elevation of this hole is about 1014'. Drilled into highly altered serpentine from 13' to 25', containing from 10% to 30% silica-carbonate type material. Best mineralization was found from 15.5' to 17' where it containes about 1 lb/Hg/ton. Drilled to 84' where we decided that we were through the possible ore zone by 50' and that there was no need to continue. We will have to drill further east to hit the possible ore zone at depth. Decided that indications in this hole did not warrant further analysis.

Elio R. Giusti
Geologist

LOCATION OF DRILL HOLES

#2 - #3 - #4



DRILL HOLE # 2

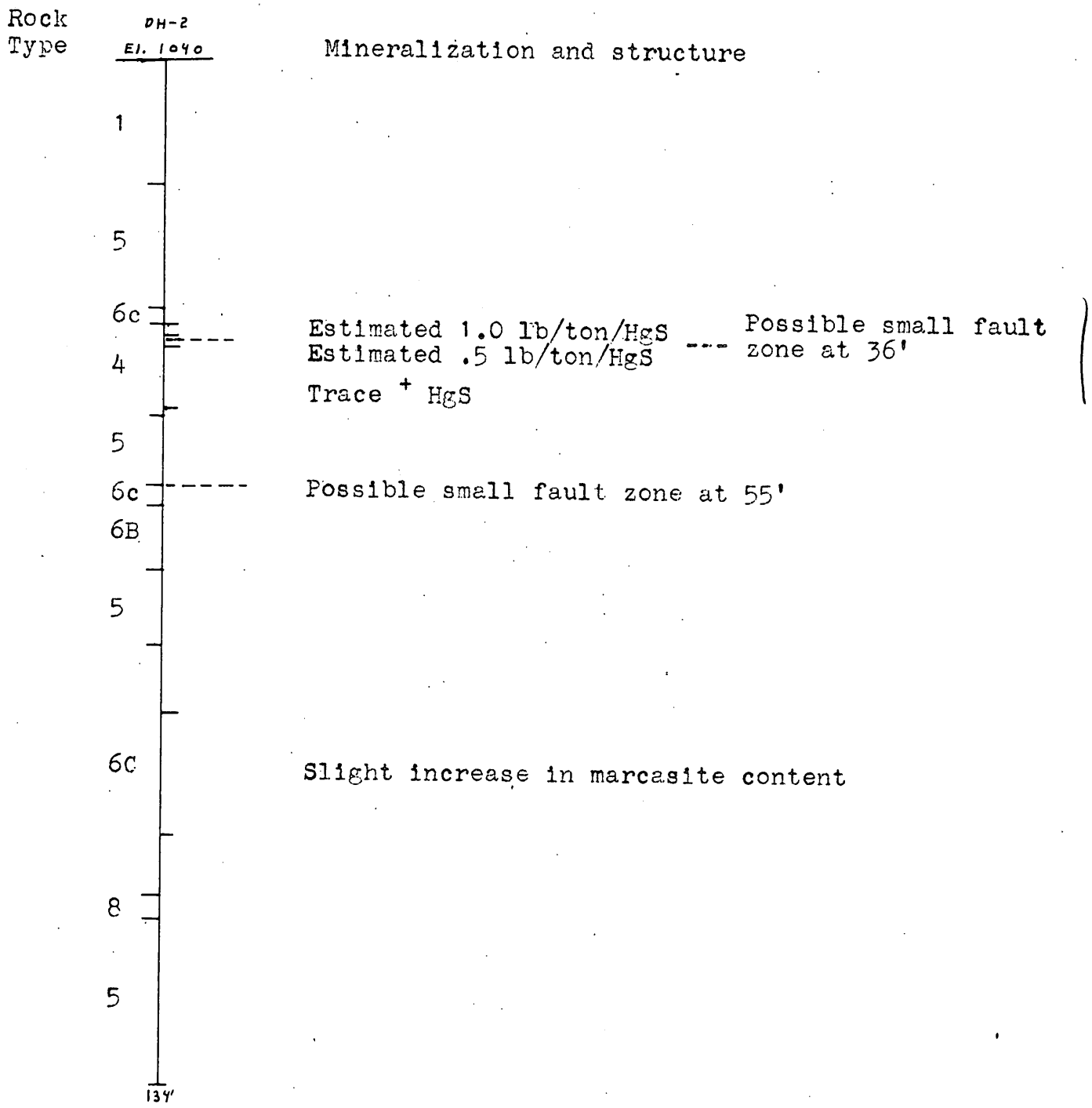
Location - 45' NE of Drill Hole #1

Elevation - 1,040 feet

Dip - Vertical

Depth - 134'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 16	trace	Weathered altered serpentine
16 - 25	trace	Gray siliceous clay
25 - 32	trace	Brownish gray siliceous clay
32 - 34	trace	Altered serpentine
34 - 35.5	1.0	Highly altered serpentine with some silica-carbonate
35.5 - 37	.5	Highly altered serpentine with some silica-carbonate At 36' possible small fault zone
37 - 46	trace	Highly altered serpentine with some silica-carbonate
46 - 55	trace	Gray siliceous clay
55 - 57.5	trace	Altered Serpentine At 55' possible small fault zone
57.5 - 66	trace	Lt. green serpentine
66 - 76	trace	Gray siliceous clay
76 - 85.5	trace	Altered serpentine
85.5 - 101	trace	Altered serpentine Slight increase in marcasite content.
101 - 109	trace	Altered serpentine
109 - 112	trace	Reddish brown altered serpentine
112 - 134	trace	Gray siliceous clay



CROSS SECTION OF DRILL HOLE #2

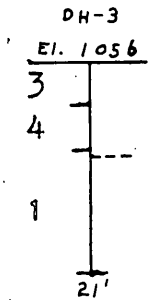
SCALE 1" = 20'

DRILL HOLE # 3

Location - 5' NE of proposed drill hole #4
Elevation - 1,056 feet
Dip - Vertical
Depth - 21'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 4	trace	Weathered silica-carbonate
4 - 8.5	trace	Silica-carbonate
8.5 - 13	trace	Weathered altered serpentine Lost total circulation and after two days finally recovered about 10%. Recovered about 25% of the cuttings from this zone.
13 - 21	trace	Weathered altered serpentine No core recovery, recovered only about 10% of very fine cuttings.

Rock Type



Mineralization and Structure

Lost total circulation at 9' and lost two days trying to recover it.

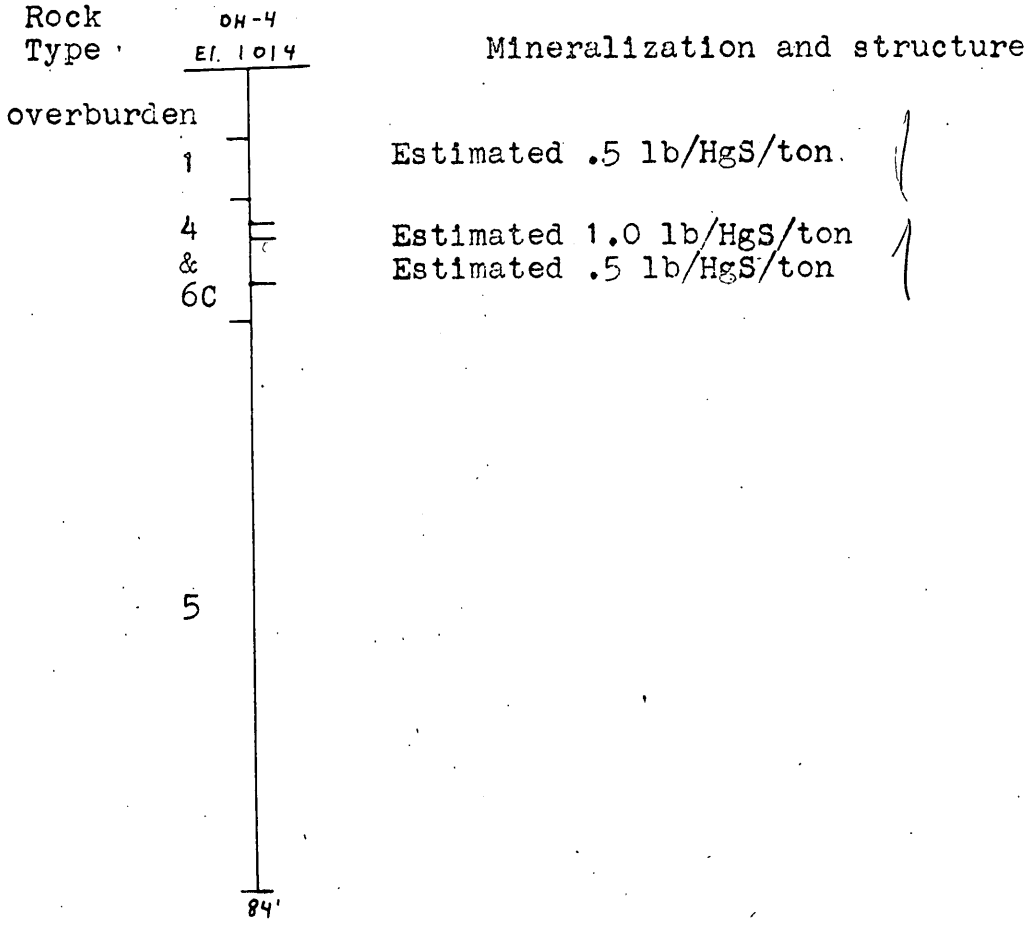
CROSS SECTION OF DRILL HOLE #3

SCALE 1" = 20'

DRILL HOLE # 4

Location - 110' east of proposed drill hole #5
Elevation - 1,014 feet
Dip - Vertical
Depth - 84'

Interval feet	Estimated Lbs./Hg/ton	Structure and Formation
0 - 7	.5	Overburden of weathered and altered serpentine float with traces of silica-carbonate.
7 - 13	.5	Weathered altered serpentine
13 - 15.5	.5	Highly altered serpentine with some silica-carbonate
15.5 - 17	1.0	Highly altered serpentine with some silica-carbonate
17 - 21.5	.5	Highly altered serpentine with some silica-carbonate
21.5 - 25.5	trace	Highly altered serpentine with some silica-carbonate
25.5 - 84	trace	Gray siliceous clay



CROSS SECTION OF DRILL HOLE #4

SCALE 1" = 20'

EXP[illegible]ION OF ROCK TYPES

1	Weathered altered serpentine
2	Iron oxide rich brown clay
3	Weathered silica-carbonate
4	Silica-carbonate
5	Gray siliceous clay
5A	Gray siliceous clay + zones of lt. green serpentine
6	Lt. blue green serpentine
6A	Lt. blue green serpentine + zones of gray siliceous clay
6B	Lt. green serpentine
6C	Altered serpentine
7	Whitish yellow shale + zones of white clay and white silica.
8	Reddish brown altered serpentine

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 21 1961		
DATE	INITIALS	CODE
8/21		800
8/23		500
8/24		500

555 Battery Street
San Francisco 11, California

August 17, 1961

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of Minerals Exploration,
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME
Region II

Subject: OME-6117 (Mercury)
Elio R. Giusti & Robert Gary Baker
Aetna Springs Mine
Aetna Springs
Napa County, California

Enclosed herewith are the original and two copies of the operator's voucher and progress report, with attached narrative and maps, covering progress of the project during the month of July, 1961.

The voucher has been checked in this office, found to comply with provisions of the contract and payment of the Government participation is recommended.

GLENN G. GENTRY

Glenn G. Gentry

Enclosures: (3)

cc: Chief, Division of Field Operations
Washington 25, D. C.
OME file

Sch 313

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6117
Contract No. 14-23-090-Idm-E 2127
Contract Amount $ 17,640.00
Gov't. Participation % 50 $ 8,820.00
Mineral(s) Mercury

OPERATOR'S MONTHLY VOUCHER

For Month of July 1961

Operator's Name Aetna Springs Mine
Address 1625 Madrona Ave., St. Helena, Calif.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	36.00	0	36.00			
Drifting						
Crosscutting						
Drilling Rotary	471.20	0	471.20			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	507.20	0.00	507.20	507.20	—	507.20

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DATE	INITIALS	CODE
8/23	[illegible]	100
8/23	[illegible]	110
		120
		500
		500

Lect.

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug 14, 1961 *Payee Aetna Springs Mine

Per Elio R. Giusti Title Major Partner

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 253.60 ~~285.76~~

Signature OAS
(Authorized Certifying Officer)

Date 8/23/61 Vou. No. 912

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2127

Signature [illegible] Title Acting Field Officer Date 8/17/61

Approved by OME Executive Officer or Alternate: OME-Region II

Signature [illegible] Title Acting Field Officer Date 8/17/61

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July 1961 Docket No. OME 6117

Operator's Name Aetna Springs Mine Contract No. 14-23-090-Idm-E 2127

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	150						
Rotary	2025	124	124	471.20			
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching	10hr	3hr	3	36.00			
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				507.20			

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DATE | INITIALS | CODE

REMARKS

See following pages

(Continue on back)

REMARKS

(Continue on back)

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

Date Aug 14, 1961 Operator Aetna Springs Mine

Per Elio R. Giusti Title Major Partner

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field officer OME-Regional Government Representative

Date 8/17/61

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

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WORK REPORT
Aetna Springs Mine
Docket # OME-6117
Contract # Idm-E 2127
July 1961

We used up three hours of the bulldozing time to rebuild and level four drilling benches. We then set up Drill Hole # 1 15' NE of proposed Drill Hole #1 and drilled the hole to a depth of 124'. After panning the samples from Drill Hole #1 it was decided that the cinnabar content was to low to need further analysis.

See following pages for information on Drill Hole #1.

Elio R. Giusti
Elio R. Giusti
Geologist

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DATE | INITIALS | CO.

DRILL HOLE #1

Location - 15' NE of proposed Drill Hole #1
Elevation - 1,040 feet
Dip - Vertical
Depth - 124'

Interval feet	Estimated Lbs. Hg/ton	Structure and Formations
0 - 4	.5	Weathered silica-carbonate
4 - 5	trace	Weathered silica-carbonate
5 - 11.5	trace	Weathered altered serpentine
11.5 - 14	.5 or less	Weathered altered serpentine
14 - 17	.5	Weathered altered serpentine
17 - 29	trace	Altered serpentine
29 - 80	trace	Gray siliceous clay
80 - 85	trace	Gray siliceous clay with zones of lt. green serpentine
85 - 94	trace	Lt. blue green serpentine 1 to 2 lb./ton/marcasite
94 - 98	trace	Lt. green serpentine 1 to 2 lb./ton/marcasite
98 - 107	trace	Lt. green serpentine
107 - 111	trace	Altered serpentine possible small fault at 111'
111 - 115.5	trace	Altered serpentine 1 to 2 lb./ton/marcasite
115.5- 117	trace	Altered serpentine
117 - 124	trace	Reddish brown altered serpentine

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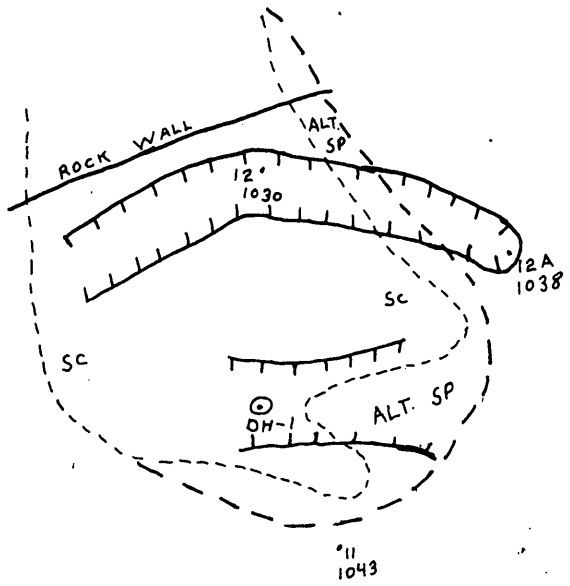

LOCATION OF DRILL HOLE #1

Drill Hole #1 was located approximately 15' NE of proposed Drill Hole #1.

Rock Type	DH-1 El. 1040	Mineralization and structure
3		Estimated .5 lb./ton/HgS
1		Trace+ HgS Estimated .5 lb./ton/HgS
5		
5A		
6		Slight increase in marcasite content
6B		
6C		Possible small fault zone
8		Slight increase in marcasite content
	1124'	

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DATE	INITIALS	CODE

CROSS SECTION OF DRILL HOLE #1

SCALE 1" = 20'

EXPLANATION OF ROCK TYPES

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DATE	INITIAL	CODE

1	Weathered altered serpentine
3	Weathered silica-carbonate
5	Gray siliceous clay
5A	Gray siliceous clay + zones of lt. green serpentine
6	Lt. blue green serpentine
6B	Lt. green serpentine
6C	Altered serpentine
8	Reddish brown altered serpentine

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AUG 21 1961
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FISCAL SECTION

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco, California

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O. M. E
RECEIVED JUL 13 1961

DATE	INITIALS	CODE
7-13	gad	110
		~~800~~
		500
		500
7/13		210

July 11, 1961

Air Mail

Memorandum

To: Chief, Division of Field Operations,
Office of Minerals Exploration
Washington 25, D. C.

From: Acting Field Officer, OME, Region II

Subject: OME- 6117 (Mercury)
Aetna Springs Mine
Aetna Springs
Napa County, California
Contract No. Idm-E 2127

Enclosed herewith are the Government's Fiscal Section and Audit's copies of the subject contract executed by the operator.

The operator has retained his copy and the Field Office copy is retained in this office.

Attached to all copies of the contract are executed copies of the new Lien and Subordination Agreement. The old Forms MME-52, Lien and Subordination Agreements, notarized on March 30, 1961 and executed by George B. Heibel and Ruth V. Heibel are also enclosed.

Glenn G. Gentry
Acting Field Officer, OME
Region II

Attachments (4)

OME File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	Holt	500
	Amaral	500
6/28	Selbert	800
6/29	GLS	130
"	Johnson	110
6/30	Finch	100
6/30	gad	220
		500

JUN 30 1961

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California

With reference to the recommendation in your Report of Examination by Field Team, Region II, dated June 12, 1961, we are enclosing the original and four copies of a proposed contract for the subject property at the Aetna Springs mine. The complete contract consists of the form, Annex I (one page), Exhibit A (three pages), Exhibit B, and two maps. All copies have been signed by the Director for the Government.

The Lien and Subordination Agreements submitted with the application have been rewritten, with minor changes, on our new MME Form 52 (June 1961) Lien or Subordination Agreement. The old agreements and six copies of the new form are enclosed. Please advise the Applicant that the new forms must be signed by Mr. and Mrs. Heibel and dated with a date prior to or the same as the date of the contract. *

Please advise the Applicant that the 5-3/4 percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If the contract is suitable to you and the Operator, all five copies should be signed by the Operator. The Operator should retain its copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

If any part of the proposed contract does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies should be returned to this office together with the proposed changes for consideration.

/s/ George C. Selfridge

Enclosures

SPHolt/gla
6-26-61
cc to: Director's Reading File
Review Committee
Docket

* Exact date should then be inserted in the appropriate space left blank at the bottom of the first page of the contract form. Notarization of Mr. and Mrs. Heibel's signatures is not necessary.

43683

DRAFT 6/19/61
SPHolt/gla

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

DOCKET COPY

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6117	Mercury	14-23-090-	Napa	California

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Aetna Springs Mine, a partnership consisting of Elio R. Giusti and Robert Gary Baker,

whose mailing address is Howard Hot Springs, Middletown, California, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $17,640.00. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $8,820.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interest of Lessors

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Lien and Subordination Agreements signed by George B. Heibel and Ruth V. Heibel

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~xxxxxxxxx~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14

~~ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

AETNA SPRINGS MINE
(Operator)

By Elio R. Giusti, Partner

By Robert Gary Baker, Partner

THE UNITED STATES OF AMERICA

By Director, Office of Minerals Exploration

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

DRAFT 6/19/61
SPHolt/gla

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract, is outlined in blue color on Figure 1, entitled "Aetna Springs Mine Property, Napa County, California," attached to and made a part of the contract.

The land comprises one (1) patented lode mining claim, called the Valley Mining Co., C - Pat - 476, also known as the Aetna Mineral Springs property, area 82.62 acres, situated in secs. 1, 2, 11, and 12, T. 9 N., R. 6 W., M.D.M., Pope Valley, Napa County, California.

The Operator controls the above land under the terms of a lease executed February 1, 1960, and Amendment to Lease executed June 3, 1961. Lien and Subordination Agreements executed by George B. Heibel and Ruth V. Heibel are attached to and made part of the contract.

DRAFT 6/19/61
SPHolt/gla

EXPLORATION CONTRACT
AETNA SPRINGS MINE
OME-6117

EXHIBIT A

The maps attached to and made part of the contract are as follows:

Figure 1. Aetna Springs Mine Property, Napa County, California.

Figure 2. Elio R. Giusti, Aetna Springs Mine, Napa County, California, Proposed Rotary Drill Holes.

The objective of the project is to explore for mercury on the Aetna Springs Mine Property by means of rotary drilling and diamond core drilling from surface to intersect the mercury-bearing mineralized zones.

General Conditions

Holes shall be drilled with size 2-3/8-inch or larger bicone rotary bits, except that where necessary to complete a hole, size AX or larger diamond coring bits may be used. Holes shall be reamed and cased, or cemented and redrilled where necessary. All core shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples assayed for mercury.

Samples of cuttings from rotary drilling and sludge samples from diamond core drilling shall be taken, and in significantly mineralized areas in rotary drilling, also in diamond drilling where

the core recovery is less than 60 percent, the cuttings or sludges shall be assayed as above in addition to the core segments which have been recovered. No sample, either of core or cuttings or sludge, shall represent a hole interval greater than 5 feet.

All samples to be assayed shall first be split and one-half be made available to the Government.

All drill holes shall be logged geologically and copies of logs of completed holes, together with maps showing drill hole locations and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government shall not participate in the cost of incomplete holes.

The locations, directions, and depths of all drill holes shall be subject to approval of the Government.

The bulldozer used for the preparation of drill sites shall be not less than D-6 size or similar size of another make.

Description of the Work

Stage I

Prepare drill sites as necessary. It is estimated that not to exceed 10 hours of bulldozing will be required for this work.

Drill 15 vertical holes, designated Nos. 1 to 15, inclusive, in approximate positions indicated in red color on Figure 2, to approximate depths indicated. Estimated aggregate total depth of the 15 holes is 2,175 feet, of which it is estimated 150 feet may be diamond core drilling.

Stage II

Prepare drill site as necessary. It is estimated that not to exceed 3 hours of bulldozing will be required for this work.

Drill 8 vertical holes, designated Nos. 16 to 23, inclusive, in approximate positions indicated in green color on Figure 2, to approximate depths indicated. Estimated total aggregate depth of the 8 holes is 2,000 feet, of which it is estimated 150 feet may be diamond core drilling.

Locations of holes Nos. 16 to 23, inclusive, are subject to change with the approval of the Government, as indicated by results of drilling under Stage I.

Estimated Costs of Project

Fixed Unit Costs

Stage I

Bulldozing to prepare drill sites,		
10 hours @ $12.00/hr.	$ 120.00	
Rotary drilling, 2,025 feet @ $3.80/ft.	7,695.00	
Diamond core drilling,		
150 feet @ $8.30/ft.	1,245.00	
Core boxes, 10 @ $1.00/each	10.00	
Assays for mercury, 25 @ $5.00/each	125.00	
Total Stage I		$9,195.00

Stage II

Bulldozing to prepare drill sites,		
3 hours @ $12.00/hr.	$ 36.00	
Rotary drilling,		
1,850 feet @ $3.80/ft.	7,030.00	
Diamond core drilling, 150 feet		
@ $8.30/ft.	1,245.00	
Core boxes, 9 @ $1.00/each	9.00	
Assays for mercury, 25 @ $5.00/each	125.00	
Total Stage II		$ 8,445.00
Total Estimated Cost of the Project		$17,640.00
Government Participation @ 50%		$8,820.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 14 1961

DATE	INITIALS	CODE
6/14	gad	VVO
~~June 12, 1961~~		~~130~~
		~~100~~
6/15	Received	500
6/15	Hall	500

Air Mail

Memorandum

To: Chief, Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region II

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs
Napa County, California

We enclose the Acting Field Officer's report on the subject application recommending exploration by rotary and core drilling for your consideration.

The expense of a field examination was eliminated because sufficient information was obtained from previous reports and examinations of the property by members of the Bureau of Mines and Geological Survey. However, additional conferences were held in this office with the applicant on June 6 and 7. Mr. Giusti has the equipment and states he is financially able to explore the property by drilling but has insufficient funds to contemplate shaft sinking in the present application.

Reference is made to your letter of May 12 regarding the subject application:

Paragraph II: The applicant has submitted two bids, one from the Joy Manufacturing Company of San Francisco and one from his own company, the Giusti Mining and Exploration Company. He advised he was unable to obtain a third bid.

Paragraph III: I recommend consideration of shaft sinking and underground work be delayed pending results from the drilling program. I do not believe we have sufficient information at this time to justify the costs of such work.

Paragraph IV: On June 3, 1961 the owners of the property, George B. and Ruth V. Heibel, executed an amendment to the lease of February 1, 1961, which states in part "This lease is subject and subordinate to the loan of H. L. M. Mining Company from the Defense Minerals Exploration Administration The contract work was performed under Docket No. DMEA-4777, Contract No. Idm-E-1155."

ON-SITE EXAM REPORT

Paragraph V: The applicant understands and agrees that the rate of royalty to be paid from production will be 10 percent (5 percent on the old, and 5 percent on the new contract) until the Government's contribution ($731.25) is repaid, then revert to the usual 5 percent rate under the new contract.

Paragraph VI: The applicant has furnished a description of the land proposed for exploration taken from Book "C" of patents in the records of Napa County, on page 467.

Glenn G. Gentry

Glenn G. Gentry

Attachments

Copy to: OME File, Region II

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 14 1961

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT
OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs
Napa County, California

By

Glenn G. Gentry
Acting Field Officer, OME, Region II

June 12, 1961

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ILLUSTRATIONS

Figure 1	Property Area
Figure 2	Area Pertinent to Application
Figure 3	Showing Location of Proposed Drill Holes

INTRODUCTION

On March 15, 1961, Mr. Elio R. Giusti, Howard Hot Springs, Middletown, California, and Robert Gary Baker, 829 Masonic Avenue, Albany, California, applied to the Office of Minerals Exploration for assistance in the further exploration of the Aetna Springs mercury mine located at Aetna Springs, Napa County, California.

The application was assigned Docket No. OME 6117 and referred to this office on May 12, 1961 for consideration and a field examination, if necessary.

Part of the mine area was previously examined under DMEA Docket No. 4777 by a field team from the U. S. Bureau of Mines and U. S. Geological Survey on August 1 and 2, 1957. This examination recommended Government assistance and Contract No. Idm-E 1155 with the H. L. M. Mining Company of Aetna Springs, California was executed on November 19, 1957.

Under Stage 1 of the contract, the operator completed three bulldozer trenches totaling about 420 feet and some low-grade mercury-bearing material was discovered.

Stage II of the contract, authorizing underground exploration of the mineralized zone, was approved but financial disagreements between the three partners resulted in dissolution of the company before any work could be done.

Exploration Contract Idm-E 1155 expired on February 19, 1959 and was mutually terminated by an agreement dated August 18, 1959. This termination agreement contained a pseudo certification and the Government is entitled to royalty on any ores produced until November 19, 1968, or until the loan of $731.25 is repaid, whichever occurs first.

SUMMARY

Mr. Elio R. Giusti now proposes to continue exploration of the general area partially explored by trenching under Contract Idm-E 1155 and has increased the area by adding certain ground within the Aetna Springs Resort boundaries.

CONCLUSIONS AND RECOMMENDATIONS

Surface exposures of mercury ore mineralization occurring in silica-carbonate rock on the property and the limited previous exploration are sufficient to justify consideration of a program comprising approximately 4,100 feet of rotary and core drilling to explore the mineralized rock from surface to a maximum depth of about 250 feet.

The estimated cost of such a project is $20,838.50 and we recommend the Government, through the Office of Minerals Exploration, enter into a contract with Mr. Elio R. Giusti, Howard Hot Springs, Middletown, California and Mr. Robert Gary Baker, 829 Masonic Avenue, Albany, California, to supply fifty percent ($10,419.25) of the exploration costs.

We also recommend preparation of a contract on a unit or footage basis.

GENERAL

Reference is made to Application Report, Docket No. DMEA 4777 dated September 13, 1957 and the Final Report of Docket No. DMEA 4777, Contract No. Idm-E 1155, dated September 4, 1959 which have detailed all pertinent information relating to the application and exploration conducted under the contract.

PROPERTY AND OWNERSHIP

The Aetna Springs property, comprising about 1,500 acres, is owned by George B. Heibel and his wife, Ruth V. Heibel, of Aetna Springs, California. Refer to Plate 1.

Only that portion of the land on the patented claims (refer to Figure 1) called the Valley Mining Company, C-Pat.-476 consisting of patented land approximately 1,200 feet by 3,000 feet (about 82.62 acres), is allocated to the exploration proposal.

The applicant has submitted a lease agreement from the owners effective February 1, 1960 and ending January 31, 1970 unless sooner terminated in accordance with provisions of the lease.

The applicant has also submitted a Lien and Subordination agreement dated March 30, 1961 executed by the owners on the patented mining claims of about 82.62 acres.

EXPLORATION PROPOSAL

The applicant proposes to explore within the boundaries of the Aetna Springs Resort area and in the area allocated under Contract Idm-E 1155. (Refer to Figure 3.)

The recommended project consists of two stages of rotary and/or core drilling. Stage 1 is to be completed and as much of Stage 2 as approved in advance by the Government. The locations of the drill holes in both stages one and two are approximates only and are subject to change when considered advisable. However, such changes in locations, depth, etc. are to be subject to Government approval in advance.

THE EXPLORATION PROPOSAL

Stage 1: Consists of 15 rotary drill holes totaling approximately 2,100 feet, requiring about five months time to complete:

Hole No.	Estimated Collar Elevation	Estimated Depth of Drill Hole
1	1032 ft.	125 ft.
2	1042 "	150-175 ft.
3	1047 "	125-150 ft.
4	1052 ""	125 ft.
5	1039 "	125 ft.
6	1039 "	125-150 ft.
7	1020 "	150 ft.
8	1020 "	150 "
9	1015 "	125 "
10	1015 "	150 "
11	1017 "	150 "
12	1021 "	150 "
13	1018 "	150 "
14	1013 "	150 "
15	1015 "	150 "
15		2,100 ± feet

Estimated 150 ft. of core drilling may be necessary. Estimated bulldozer work required for clearing sites for drill holes:

		Hours
Holes 1-2-3 & 4		2
"	5 & 6	2
Hole	7	3
"	8	3
	Total	10

The applicant will furnish all equipment and complete the work at the following costs:

Fixed Unit Costs

15 drill holes, approximately 2 3/8" diam. each, aggregating 1,950 ft. ± @ $3.00 per foot - - - - - - - -	$5,850.00
150 ft. of AX size core drilling is allowed @ $7.50/ft.	1,125.00
Bulldozing drill sites, 10 hrs. @ $12.00/hr.	120.00
25 samples to be analyzed for mercury @ $5.00 each	125.00
Preparation & shipping costs per sample @ $0.25	6.25
One combined Supt.-Geologist-Bookkeeper @ $600.00/month	3,000.00
Insurance - Taxes, etc. @ 12.5%	375.00
10 core boxes @ $1.00 each	10.00
Estimated maximum	$10,611.25

Stage 2: Consists of 8 rotary drill holes totaling approximately 2,000 feet, requiring about 5 months time to complete:

Hole No.	Estimated Collar Elevation	Estimated Depth of Drill Hole
16	These drill hole locations	250 ft. ±
17		"
18	are subject to change as	"
19		"
20	indicated by results obtained	"
21		"
22	by drilling under Stage 1.	"
23		"
8		2,000 ft. ±

The applicant will furnish all of the equipment and complete the work at the following costs:

Fixed Unit Costs:

8 drill holes, approximately 2 3/8" diameter each aggregating 1,850 feet @ $3.00/ft.	$5,550.00
150 ft. of AX size core drilling is allowed @ $7.50/ft.	1,125.00
Bulldozing drill sites, 3 hrs. @ $12.00/hr.	36.00
25 samples to be analyzed for mercury @ $5.00 each	125.00
Preparation and shipping costs per sample @ $0.25	6.25
One combined Supt.-Geologist-Bookkeeper @ $600.00/month	3,000.00
Insurance, taxes, etc. @ 12.5%	375.00
10 core boxes @ $1.00 each	10.00
	$10,227.25

Resumé:

Estimated costs:

Stage 1 - - - - -	$10,611.25
Stage 2 - - - - -	10,227.25
	$20,838.50
Government participation @ 50% - - -	$10,419.25

Total contract period estimated: 10 months

The applicant reports that he is financially unable to participate in the cost of shaft sinking at this time but could probably provide the money if the drilling program indicated sufficient ore of commercial grade.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/11	Holt	500
	Brownell	500
5/11	Talbert	800
5/12	Selbedge	130
"	Johnson	110
5/12	gad	220
		500

Memorandum

MAY 1 2 1961

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California

The subject application is being referred to you for consideration and a field examination if necessary.

Please note from the letter of April 19, 1961, from Elio R. Giusti, a copy of which is also enclosed, that he was not able to secure a third bid for diamond drilling. Although we ask for three bids "if possible," that is not an absolute requirement, and two firm bids, if reasonably satisfactory, may suffice.

Perhaps a program to comprise, as Stage I, about half as many holes within the most likely area; followed, if results of Stage I drilling were encouraging, and with the approval of the Government, by Stage II work consisting of shaft sinking and drifting, somewhat as authorized but never performed under Stage II of the previous contract (DMEA-4777), would better serve to explore the deposit. We shall maintain an open mind on this particular feature.

The termination agreement ending the previous contract included a conditional royalty agreement to protect the Government's right to repayment in the form of royalty for its contribution towards the cost of the project. The owners and lessee appear to have recognized this obligation (see bottom of page 6 and top of page 7 of lease submitted with the application), but erroneously state that the loan was from the United States Geological Survey instead of the Defense Minerals Exploration Administration. This should be called to the attention of Mr. and Mrs. Heibel and Mr. Giusti, with the request that the error be corrected in the original of the lease and that we be authorized to make the same correction in copies of the lease submitted to this office.

If a new contract is to be considered including the land of the previous contract, the Applicant should be advised that the rate of royalty to be paid from production would be 10 percent (5 percent

43683

on the old, 5 percent on the new contract) until the Government's contribution($731.25) is repaid, then revert to the usual 5 percent ~~maximum~~ rate under the new contract.

The property map, Plate 1, shows the Valley Mining Co. - C - Pat - 476 claim, outlined in green color, and described in the application as the land offered to be subordinated under the contract. If a contract is to be considered, please request the Applicant to furnish a description of this claim by metes and bounds, with a tie to a section corner or other landmark, such as a road intersection. As the claim has been patented, this description may be secured from the patent survey map.

/s/ George C. Selfridge

Enclosure

SPHolt/cac/gla
(5-4-61) 5-11-61
cc to: Director's Reading File
Review Committee
Docket

MME Form 7
(10-58)

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Date	Surname	Code
5/11	Holt	500
	Dwamb	500
5/11	Tackett	800
5/12	Selfridge	130
		110
5/12	gad	220
		500

MAY 1 2 1961

Mr. Elio R. Giusti
Howard Hot Springs
Middletown, California

Re: OME-6117 (Mercury)
Aetna Springs Mine
Aetna Springs Mine
Napa County, California

Dear Mr. Giusti:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. Glenn G. Gentry, Acting Field Officer, Region II, Office of Minerals Exploration, 113 Custom House, 555 Battery Street, San Francisco 11, California.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

SPHolt/cac/gla
(5-5-61) 5-11-61
cc to: Director's Reading File
Review Committee
Region II (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/28	gad	220
"	Hoet S.P.H	500

APR 28 1961

Memorandum

To: W. R. Griswold, Chief
Minerals Division

From: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: OME-6117 (Mercury)
Aetna Springs Mine
Napa County, California

As the evidence required by item 1(a) of an application dated March 15, 1961, and received April 4, 1961, the major partner of the subject applicant submitted photostatic copies of letters dated October 31, 1960, addressed to two banks and two branches of another bank requesting a $10,000.00 loan on a two-year unsecured note bearing 7% interest. He also submitted photostatic copies of the replies, all dated in November 1960, of which three stated that the loan could be made only upon suitable collateral and the other stated merely that it was unable to grant the loan at that time.

Inasmuch as this correspondence did not give "evidence of efforts made within 90 days preceding the filing of this application to obtain credit", the major partner now has submitted photostatic copies of the following:

(1) Letters dated April 18, 1961, addressed to the Lower Lake and St. Helena, California, branches of the Bank of America, enclosing a January 1, 1961, balance sheet of his sole proprietorship (Giusti Mining & Exploration) and requesting the terms and conditions upon which a loan of $12,500.00 might be provided;
(2) Replies dated April 19 and April 20, 1961, from the respective branches stating that such loan would have to be on a secured basis; and
(3) A copy of the balance sheet indicating net worth of only $1,493.52 and assets insufficient for collateral purposes.

In his April 19 letter submitting the above evidence the major partner explains that: (a) the applicant properly is Aetna Springs Mine,

a partnership of Elio R. Giusti and Robert Gary Baker; (b) he, as an individual d/b/a Giusti Mining & Exploration, has a 95% interest in the partnership; and (c) his minor partner has no collateral.

On the basis of the foregoing it is recommended that the Acting Director waive the technical requirement of evidence of efforts made within 90 days to obtain credit from the applicant's bank of account and one other banking institution. Except for the technicality of the otherwise acceptable evidence being correspondence with branches of the same banking institution, the applicant appears to be financially eligible for federal assistance in the proposed exploration work.

Attachments

EDTalbert/ama
April 28, 1961

Copy to: Docket
Director's Reading File
Mr. Talbert

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 24 1961

DATE	INITIALS	CODE
4/25	Hoff 3.1.14	500

April 19, 1961

Mr. Frank E. Johnson
Acting Director
Office of Mineral Exploration
Washington, D.C.

Re: OME - 6117 (Mercury)
Aetna Springs Mine
Napa County, California

Dear Mr. Johnson,

Enclosed you will find all the information that you requested in your letter of April 11, 1961. I will answer your questions in the same order that they were presented to me.

1. The applicant for the government assistance on the exploration project is the Aetna Springs Mine. The Aetna Springs Mine is a partner-ship consisting of a Major Partner Elio R. Giusti 95%, and a Minor Partner Robert Gary Baker 5%. As the major partner and the Geologist of the Company, I, Elio R. Giusti applied to the banks for a loan. My partner has no collateral, so I would have to accept the obligation for any loan. For this reason I did not include him in the loan applications. As my only collateral is my mining company, I submitted my loan papers as Elio R. Giusti d/b/a Giusti Mining and Exploration.

2. As the Aetna Springs Mine is the applicant, new copies of the Lien and Subordination Agreement are not necessary.

3. Enclosed you will find the information that you requested, copies of my letters to the banks, their replies, and my financial statement.

4. I have tried to obtain a third diamond drill bid, but I have had no success. No one else is interested in drilling in this area.

I talked with Mr. Gentry in the San Francisco O.M.E. office. He told me that as of April 29, 1961 the government may increase their assistance to 75% of the exploration costs. If the government does increase their assistance to 75% I hope that my assistance application will be eligible for the full 75%.

Sincerely yours,

Elio R. Giusti

Elio R. Giusti
(Major Partner)
Aetna Springs Mine

See balance sheet filed on leftside of docket with application

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/11	[illegible]	500
	Mirandel	500
4/11	Delfuego Van Dare	120
		110
4/11	gad	220
		500

APR 1 1 1961

Mr. Elio R. Giusti
Howard Hot Springs
Middletown, California

Re: OME-6117 (Mercury)
Elio R. Giusti
Aetna Springs Mine
Napa County, California

Dear Mr. Giusti:

This is with reference to your application for Government assistance on the exploration project mentioned above. Before we can complete the processing of the application we will need the following:

1. The application shows your name as applicant, then shows Elio R. Giusti, Major Partner, and Robert Gary Baker, Minor Partner, and is signed by Elio R. Giusti as Major Partner and Geologist. Letters to the banks indicate that the applicant is Elio R. Giusti, d/b/a Giusti Mining and Exploration. The Lien and Subordination Agreements show on the first page, in the space for name of the operator, "Aetna Springs Mine." Please advise if the applicant is yourself as an individual, as a partner, as d/b/a Giusti Mining and Exploration, or as Aetna Springs Mine, a company or corporation.

2. The Lien and Subordination Agreements cannot be used in the form submitted to this office unless Aetna Springs Mine is the applicant. If that is not the case, please prepare new forms, showing on the first page the name of the applicant, whether yourself as an individual, or other, and on the back page the signatures of George B. Heibel and Ruth V. Heibel, with the date the agreement is signed. Six blank copies of MME Form 52 are enclosed for your use if needed. If new forms are prepared, please return five completed copies and retain one copy for your file.

3. Additional information as to financial eligibility, because that furnished does not conform fully to the requirements of Item 1(a) of the application form. Your letters to the banks, all dated October 31, 1960, do not fall within a 90-day period

8623

previous to the date, March ~~22~~ 15, 1961, of your application. Please, therefore, reapply to two banks for the exploration loan, stating the amount requested, terms offered, and proposed use of loan funds, providing them with a recent financial statement showing your assets and liabilities, and requesting them to advise you as to the terms and conditions upon which they might be willing to provide the loan in question. If you are not the applicant as an individual, the letters to the banks and financial statement should be in the name of the applicant.

Copies of your letters to the banks and their replies, including a copy of your financial statement, should then be forwarded to this office.

4. Please, if possible, secure a third diamond drill bid (see Item 7(c) of the application).

The information requested above is not to be construed as any assurance that the Government will pass favorably upon your application for assistance in an exploration project.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosures

SPHolt/gla
4-11-61
cc to: Director's Reading File
Region II (2)
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

April 6, 1961

4/10 ~~Holt~~ 500

File OME-6117

Memorandum

To: Chief, Division of Field Operations, OME
Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMEA-4777 (Mercury)
H. L. M. Mining Company
Aetna Springs Resort
Napa County, California
Contract Idm-E1155

Reference is made to your letter of March 28, 1961 regarding the above contract. Under date of March 15, 1961 Mr. Elio Giusti has submitted an application for exploration assistance by the OME. Attached to and made a part of the application is a copy of the mining lease executed by the owners, George B. Heibel and his wife, Ruth V. Heibel.

This lease covers the area of the former H. L. M. Mining Company contract and also covers mining rights under the Resort Area.

GLENN G. GENTRY

Copy to: OME Files, Region II

(Copy made for OME-6117, Elio R. Giusti)

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

April 4, 1961

Mr. Elio R. Giusti
Howard Hot Springs
Middletown, California

Subject: OME-6117

Dear Mr. Giusti:

Your application for exploration assistance, dated March 15, 1961, submitted to our office at San Francisco, California, has been assigned Docket Number OME-6117. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region II

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MFA-4777
(Herein)
Idm-4155

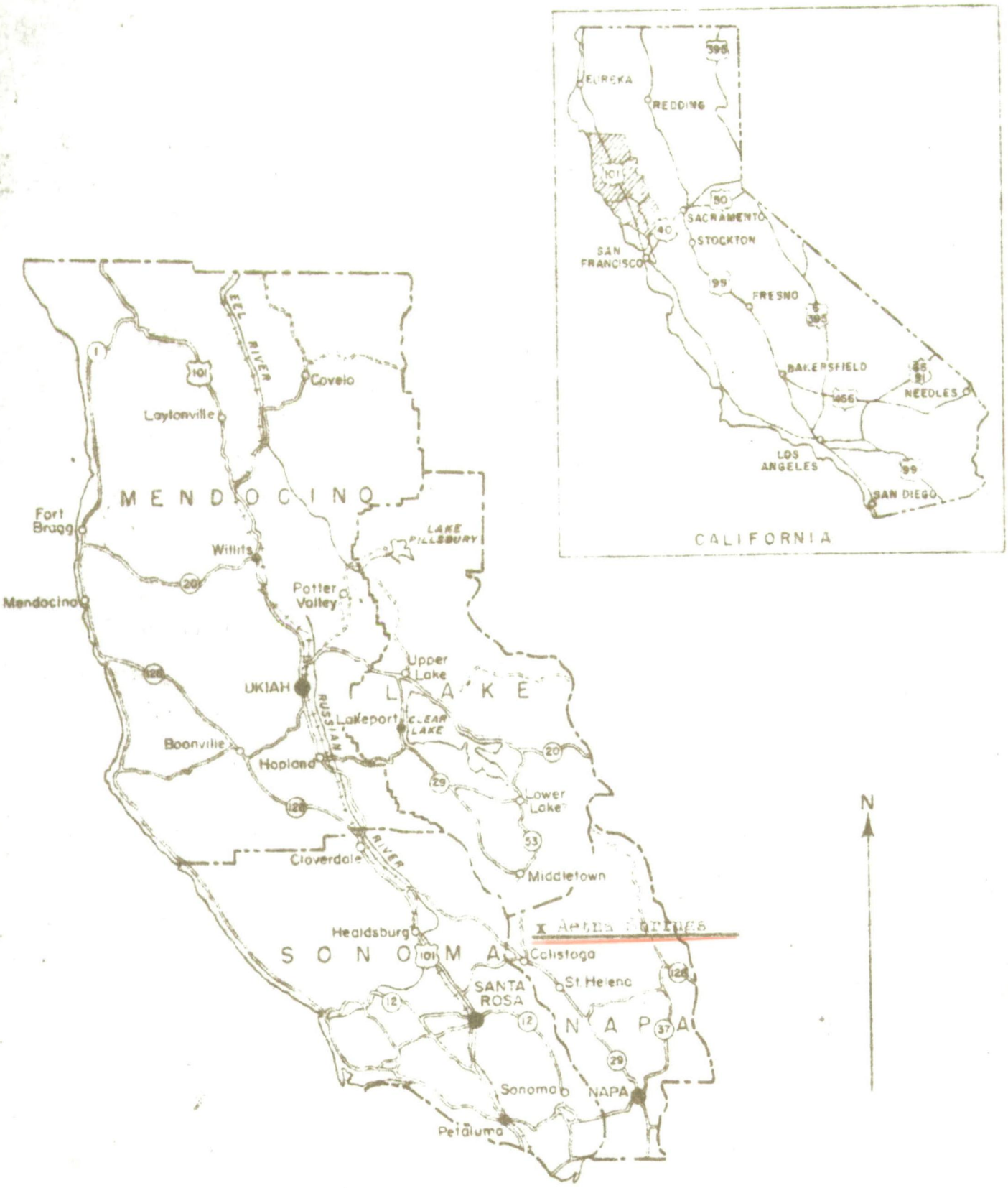
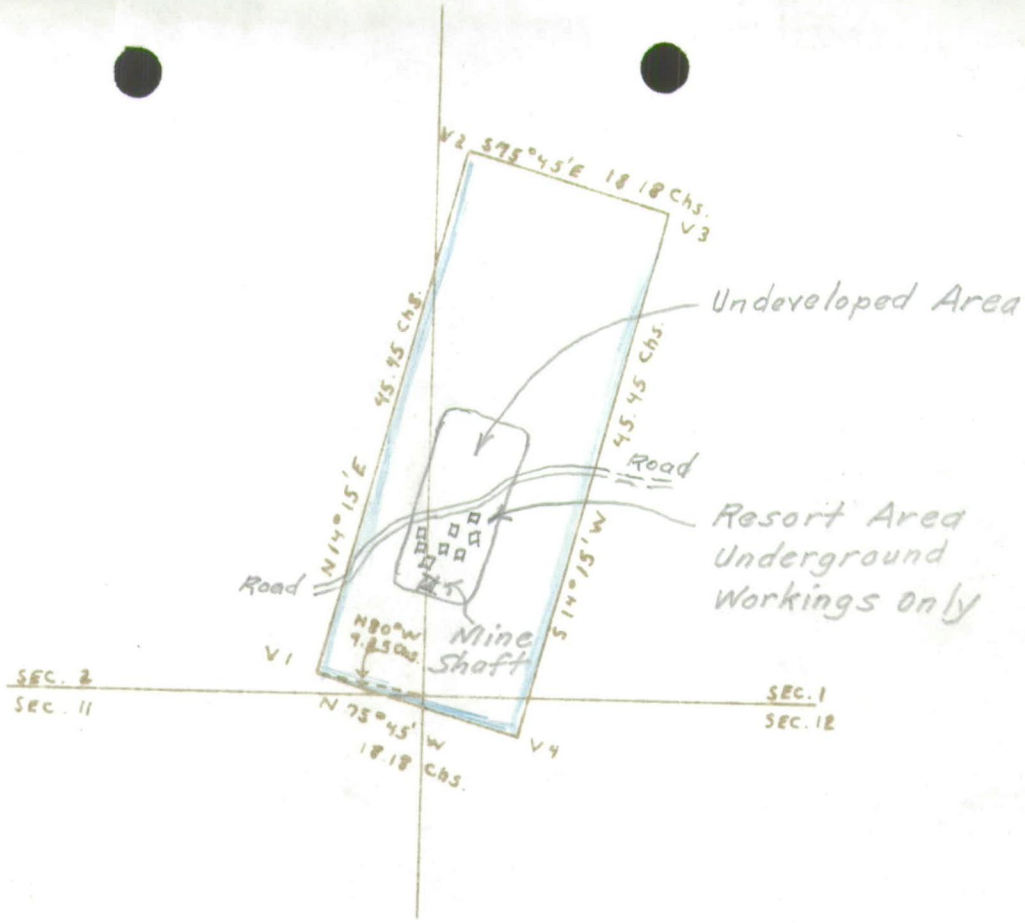


Figure 1. INDEX MAP OF LAKE, MENDOCINO, NAPA, AND SONOMA COUNTIES, CALIFORNIA

0 20 40 60 Miles



T.9N.,R.6W. M. D. M.

Beginning at the section corner common to Sections one (1), two (2), eleven (11), and twelve (12), and bearing N 80° W for 9.35 Chains we come to corner V1. From corner V1 we bear N 14°15' E for 45.45 Chains to corner V2. From corner V2 we bear S 75°45' E for 18.18 Chains to corner V3. From corner V3 we bear S 14°15' W for 45.45 Chains to corner V4. From corner V4 we bear N 75°45' W for 18.18 Chains to close back on corner V1.

The above described property called the Aetna Mineral Springs property, consisting of about 82.62 acres, situated in Pope Valley, Napa County, California is described in a Patent issued to the "VALLEY MINING COMPANY ", August 11, 1877 and recorded April 30, 1887 in Book "C" of patents in the Records of Napa County, on page 476.

Aetna Springs Mine Property
Napa County, California
Scale 1" = 1083' ±

Figure 1

ELIO R. GIUSTI
AETNA SPRINGS MINE
AETNA SPRINGS, NAPA COUNTY, CALIF.
DOCKET NO. DME 6117 - MERCURY

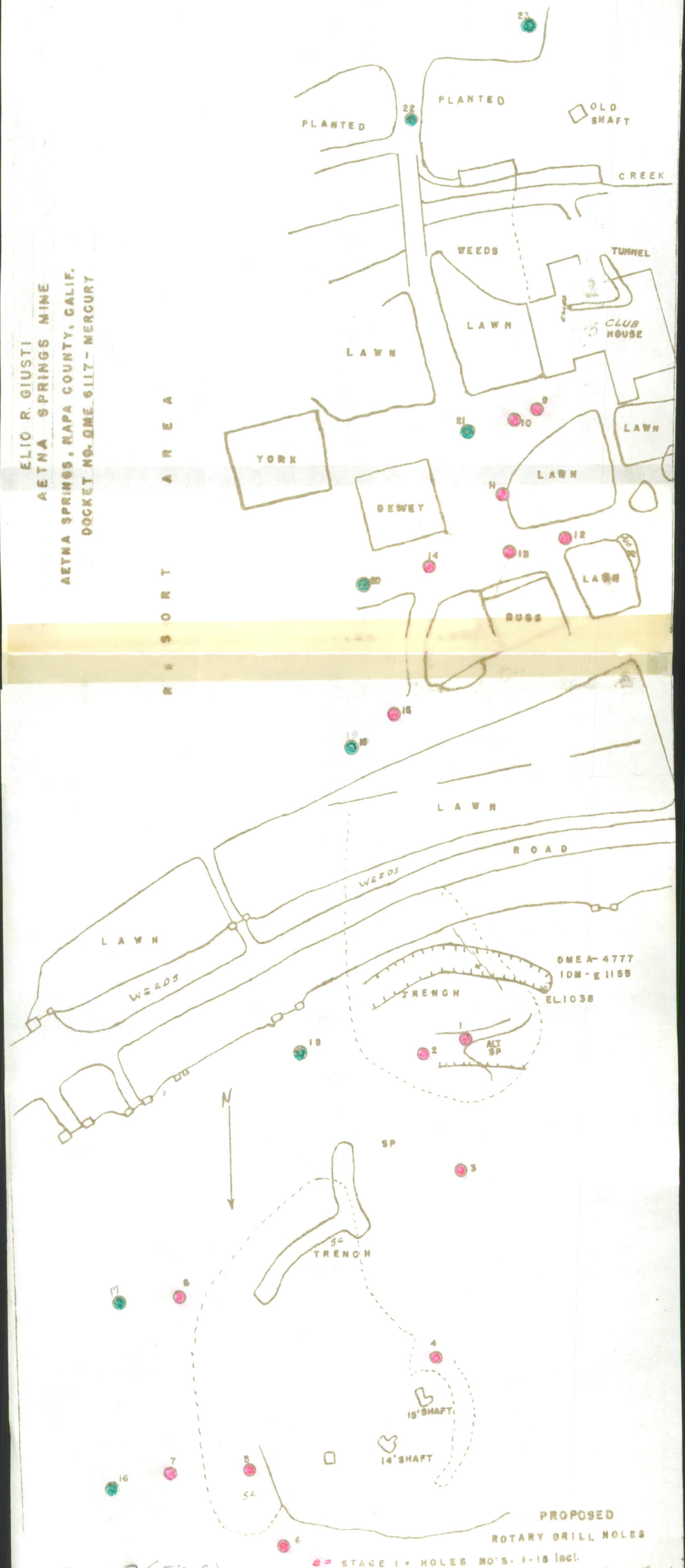


Figure 3 (= Fig 2 of Contract)

Docket copy

ELIO R. GIUSTI
AETNA SPRINGS MINE
AETNA SPRINGS, NAPA COUNTY, CALIF.
DOCKET NO. OME 6117 - MERCURY

Figure 2

Fig. 1

WESTERN TITLE GUARANTY COMPANY
NAPA COUNTY DIVISION

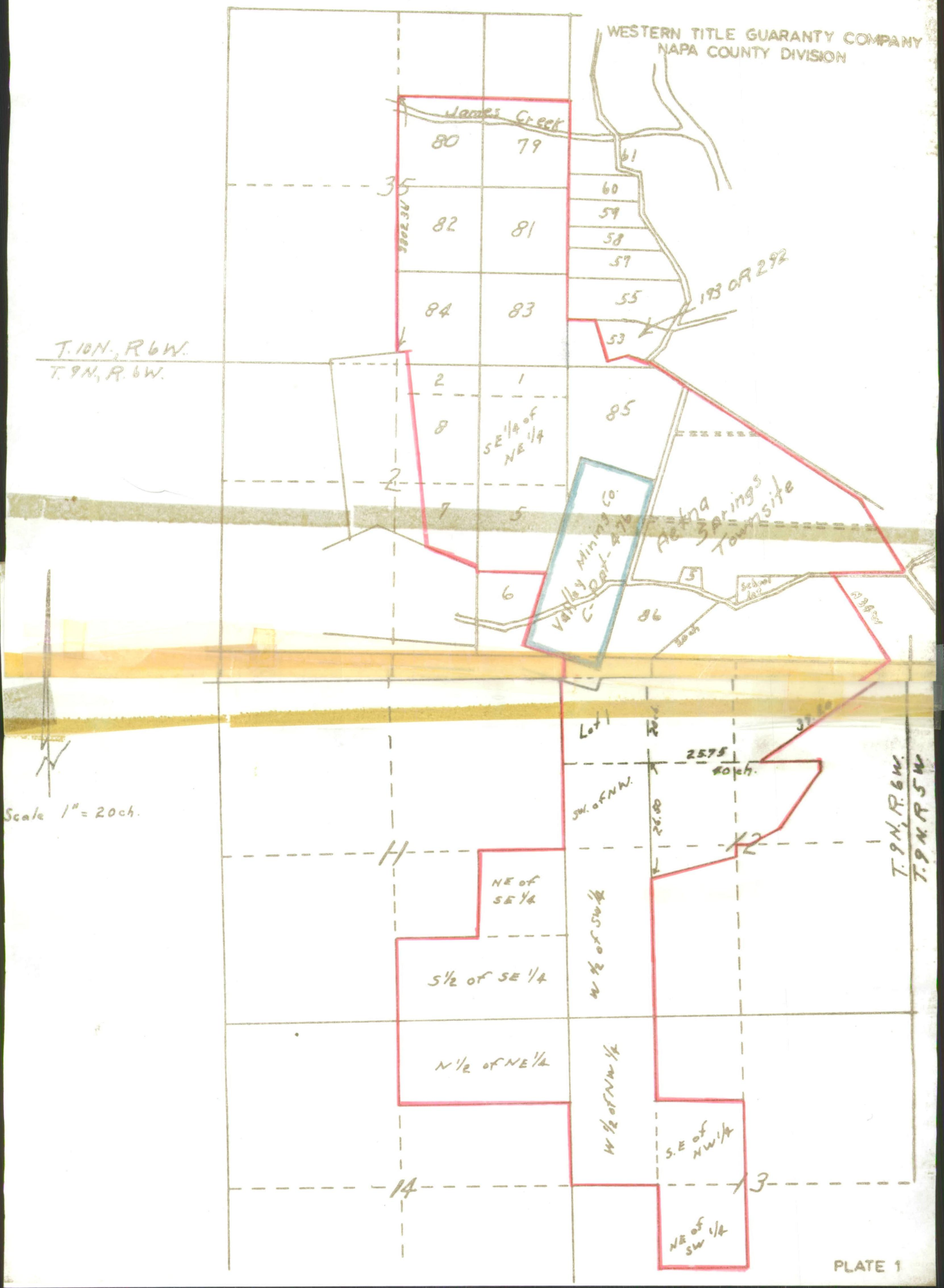
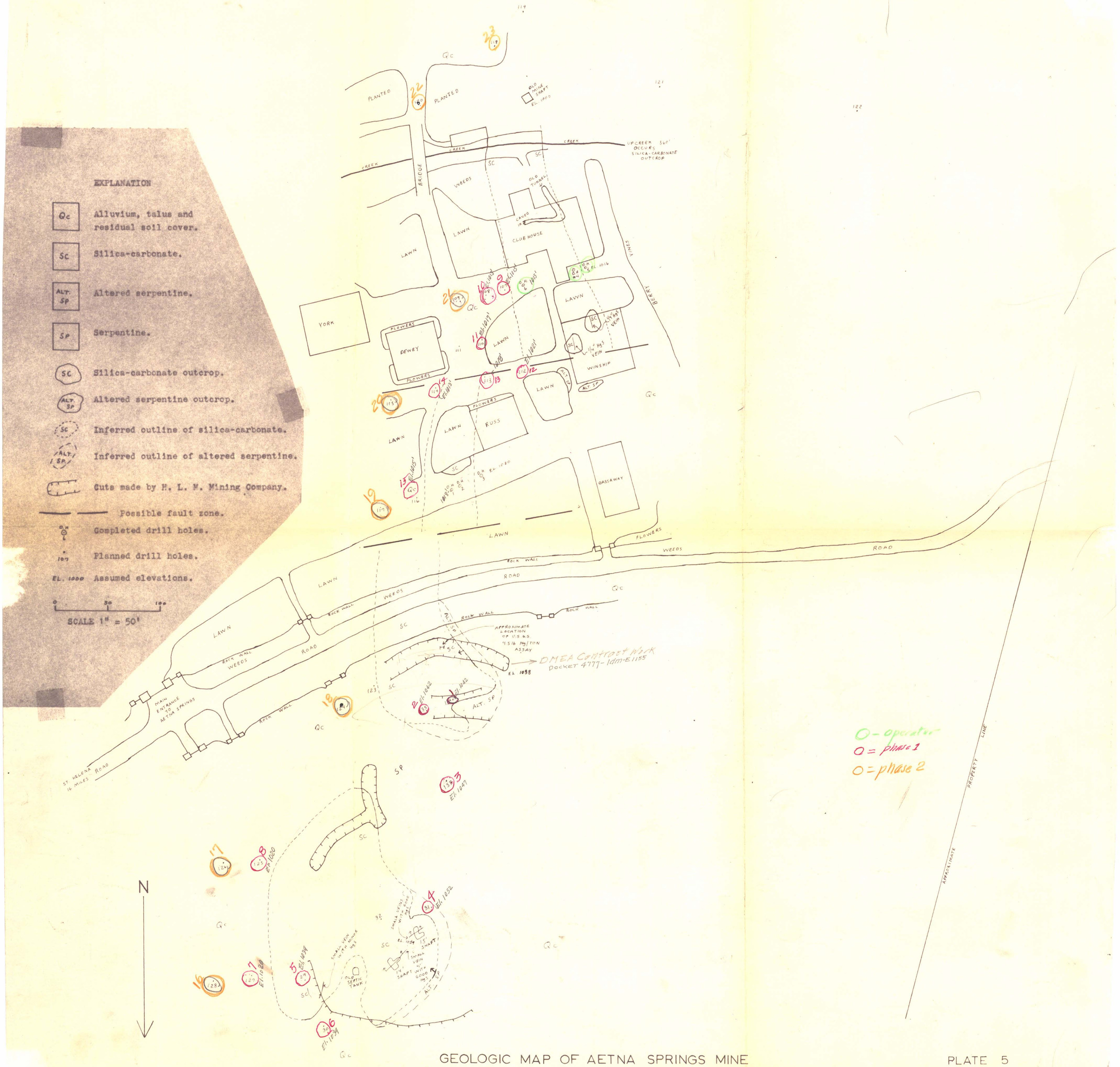


PLATE 1

GEOLOGIC MAP OF AETNA SPRINGS MINE

PLATE 5



GEOLOGIC MAP OF AETNA SPRINGS MINE

Scale 1" = 50'

PLATE 5

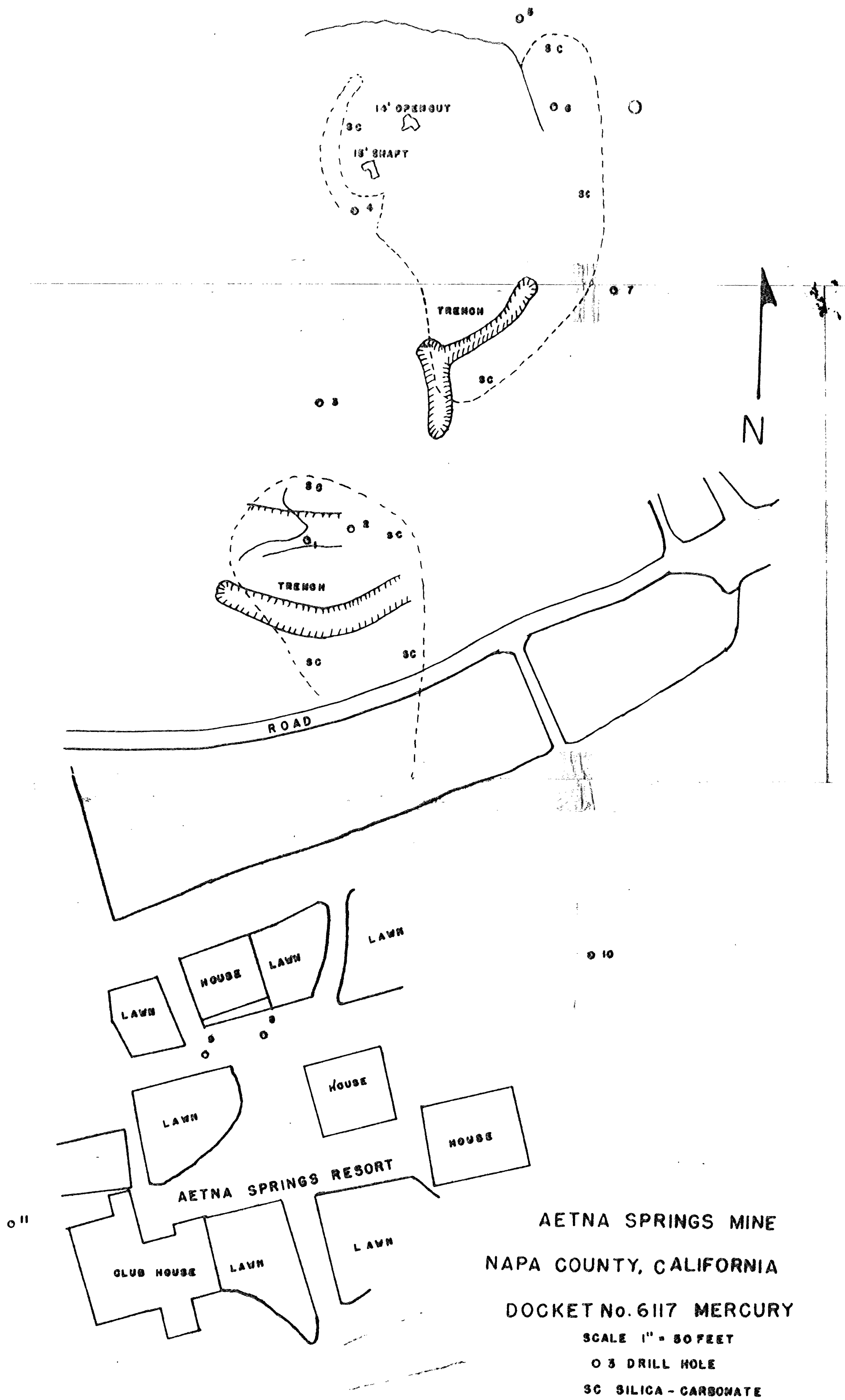


Fig. 3 Location of Drill Holes