MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. OME-6734

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 11/18/68
- [ ] Settlement Sheets
- [ ] Drill Logs

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

72195-65

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 18, 1968

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer, Region II

Subject: New Application (Silver-Copper-Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Enclosed is an application for financial assistance from M. G. and G. L. Palmer, 1321 Broadway, Needles, California 92363, received in the Field Office on June 17, 1968.

Copies of the applicant's letters to the two banks are lacking, as are adequate maps, bids from diamond drilling and bulldozing contractors, and detailed cost estimates. The targets of the proposed exploration are vague. The major part of the estimated cost is for construction of a 3-mile access road. Judging from the attached letters, the competence of Mr. C. C. Doyle, E. M., as a mining geologist is doubtful.

H. K. Stager

Enclosures

June 14, 1968

Mr. H. K. Stager,

Dear Sir;

Herewith is my application for a minerals exploration loan.

I've diligently tried to fulfill every detail as outlined in your literature. If something is remiss or you desire additional information please notify me immediately as I would like to develop this project as soon as possible.

Sincerely,

Melvin G. Palmer

Melvin G. Palmer
1321 Broadway,
Needles, Calif. 92363

RECEIVED
JUN 17 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 40
Jan. 65

Budget Bureau No. 42-R1506
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

Melvin G. Palmer
and
Gladys L. Palmer
1321 Broadway,
Needles, Calif. 92363

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6734

DATE RECEIVED: June 17, 1968

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver - Copper - Molybdenum

ESTIMATED COST OF PROJECT: $ 30,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Quartz Queen Claims (8)	San Bernardino,	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 two 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, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, 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.

14 June 68
DATED

Melvin G. Palmer Gladys L. Palmer
BY *(Signature)*

Owners
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 *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).]

Mel[illegible]n G. Palmer
132[illegible] Broadway,
Needles, Calif. 92363

APPLICATION FOR FINANCIAL ASSISTENCE IN MINERALS EXPLORATION

1. Financial Eligibility:

(a) Affidavits of applications for private loan from two reputable agencies are enclosed. One is from my own bank, Bank of America, Needles Branch, and the other is from a nearby bank, the Valley National Bank, of Bullhead, Arizona.

(b) None.

(c) Personal resources.

2. Applicant's Rights in Land:

(a) Owner of unpatented mining claims.

(b) Section 34, T7N, R24E.
Unpatented claims - recorded at San Bernardino Hall of Records, San Bernardino, California.
(Quartz Queen #1 - Book 439 - Page 339
(Amended notice - Book 441 - Page 133
Quartz Queen #2 - Book 460 - Page 493
Six additional claims have also been located but as of this date not yet recorded.
(c) Not applicable.

3. Physical Description:
(a) Four old tunnels, worked in WW I as near as I've been able to determine. First two are very short and show little promise. Third tunnel was driven off well-defined vein. I extended this tunnel deeper but with no reward, the reason for this being the vein extends downward at this point.
Mr. C. C. Doyle, Mining Engineer whom I brought in to analyze the situation surmises the old prospector missed the mark, and the real ore lies in a downward slant and not along the horizontal line that they followed for ease of operation. (Consult two sketch maps which I've included.)

(b) Old workings abandoned in 1918.

(c) Unknown.

(d) I must here rely on the report of Mr. C. C. Doyle, to a great extent, for the volumn of the deposit. Of course I'm enclosing assay reports on the surface mineral.

Melv G. Palmer
1321 Broadway,
Needles, Calif. 92363

APPLICATION FOR FINANCIAL ASSISTENCE IN MINERALS EXPLORATION

The values are good on assay and Mr. Doyle informs me that we may have a very large mining district at the Pre-Cambrian level. This, of course, is why I am applying for an OME loan. It could be big, or it could be small.

(e) The enclosed sketches will clarify the layout of the mineralized veins. The ore is prominent over a wide lateral range of moderate width (14-30") and all seeming to run paralell. These veins are intruding in through a cap of extrusive Andesite, Rhyolite and volcanic mud. The Pre-Cambrian bed lies not many feet below (about 100'), and could produce mineral of extreme high grade.

(f) Ore is in evidence on the holdings. The question is how extensive with depth, and will it richen up? The Engineering Report shows that the veins are of Mesothermal origin and should extend to a depth of 3 or 4 thousand feet, with the possibility of enrichment as we penetrate downward. This is our objective; to prove or disprove the existence of a really large ore body. The samples were taken from two-foot channels across the veins without discrimination.

(g) I would like the return of all material, assays, reports, and maps.

4. Accessibility of Property:

(a) Melvin G. Palmer, 1321 Broadway, Needles, Calif., owner, will meet your representative and guide him to the property.
From Needles, we travel southward for 15 miles on a good paved highway, then we turn off and proceed for 13 miles on a rough, sandy road. 3 miles additional will have to be developed to provide direct access to the claims.

(b) Needles, California, is a railhead on the Santa Fe Railroad, and the total distance is about 31 miles.

5. Exploration Work:

(a) Rejecting tunnels and shafts because of their extreme

Mel[illegible]n G. Palmer
1321 Broadway,
Needles, Calif. 92363

APPLICATION FOR FINANCIAL ASSISTENCE IN MINERALS EXPLORATION

cost, core drilling seems the best alternative.

10 holes, each 100 feet deep, stratigically placed, should give us a clear picture of the deep mineralization. Consult the accompanying maps for clarification of the proposed locations of the drill holes. They are marked in heavy arrows and numbers.

The initial drilling should be performed at QQ #2. It is the most easily accessable and ore showing is quite prominent. It is ideally situated for drilling as thevein outcrop is adjacent to a deep wash at the Pre-Cambrian level. A 100 foot hole should intercept the vein about 150 feet below the outcrop. Two holes here should give us a reading at the 150 and 225 foot depth levels of the vein.

Holes 3 and 4 should be drilled on QQ #3. One hole, driven straight down 100 feet directly on the vein, will give information on its penetration richness.

Another hole, driven at an angle through the adjoining Andesite and R hyolite, and intercepting the vein at 100 feet, will give information on length, width, and richness of ore. Hole #5 should go down on Quartz Queen #1. We should sink again directly on the vein to determine the tendency of the ore. Hole #6 should be sunk 200 ft. N. of hole #5. This hole, angled through the country rock, will intercept the vein at 100 feet. Hole #7 should be sunk between Quartz #4 and Quartz Queen # 7. The vein is covered with overburden here and of undeterminant value. This hole will give clues as to continuity and richness of vein. Hole #8 will be placed at Quartz Queen #5. It can be drilled at the Pre-Cambrian floor to test vein at the 100 ft. depth. Hole #9 will be driven below QuartZ Queen #7 to sample vein at base of Andesite and Rhyolite extrusives. Hole #10 will go down 210 feet north of Quartz Queen #7 on opposite or east side of vein. This should complete our exploration work and give a comprehensive view of all the ore veins.

(b) Proceeding south from Needles, there is a good paved road for 15 miles, then it is necessary to traverse 13 miles of secondary road. There is one very rough spot through a rock pass, which requires 4 wheel drive. The rest of it is sandy wash which needs some bulldozer work. The pass will have to be blasted and dozed to bring it up to shape. At the end of this 13 miles, all wheeled travel stops. There is a large rock dike which must be bypassed. This may be accomplished by dynamiting and dozer work. Then

Melvi G. Palmer
1321 Broadway,
Needles, Calif. 92363

APPLICATION FOR FINANCIAL ASSISTENCE IN MINERAL EXPLORATION

an additional 3 miles down a wide wash will place the veins within workable distance.

(c) Work will be started immediately. It is difficult to fix a finish date due to the extreme weather and uncertainty of labor in this area. Again, I can't make a rigid prediction because of the above described uncertainties. However, we should fulfill the contract work within eight months. The progress will vary greatly from the hot summer to the more hospitable winter months.

6. Experience:

I am 47 years old. All my life I've been exposed to mines and minerals. I've been on many prospecting and 'surefire' deals, but being of a practical frame of mind, I just can't get excited about some tale of lost treasure or a little smear of malachite. This is why, finally, it gives me a thrill to see our veins open up some bona fide ore. Ore that is there in place, not just a little concentrate in a vial, but good, solid ore perking up in many places in a wide assortment of quartz veins. I've examined every current working in this part of the country, including the OME financed holdings south of Essex, and the Standard Metals Development across the river in Arizona, and their stuff seems like fluff compared to the potential gleaming forth from our discovery. Again, I repeat, the ore is there and it is extensive surfacewise. What we must determine, is the depth and richness and this is why we need you. If it's as great as it seems, not only will we help ourselves, but we will help our country in its' drastic need for these critical minerals. In the mechanics of mining, I've gained experience as an active partner with my uncle, George Palmer, in developing two mines in central Arizona. As for technical supervision, I will enlist the aid of Mr. C. C. Doyle, a mining engineer of wide, qualified experience, and any other qualified personnel that may be necessary to explore the veins to the best advantage.

Melv[illegible] G. Palmer
1321 Broadway,
Needles, Calif. 92363

APPLICATION FOR FINANCIAL ASSISTENCE IN MINERAL EXPLORATION

7. Estimate of Costs.

(a) Contract will be let for diamond core drilling. 10 holes - each 100 feet deep.
Actual cost of drilling diamond cores. $8,000.
Room, lodging and mileage for two men for 3 months. - *$3,000.
Total cost 11,000 — $11,000.

(b) Cost of Supervision.

Mining Engineer, Geological Analysis, Owner's participation. -- 4,000.

(c) Road Work:

Compressors - hammers - drill steel - dynamite - caps - labor ----- 4,000.

(d) Road Work:

Bulldozer and operator - 240 hrs. at $25.00 per hour. -- 6,000.

(e) Initial Rehabilitation of Old Tunnels. 1,000.

(f) New Housing and Office. 2,000.

(g) Bookkeeping and Insurance. -- 2,000.

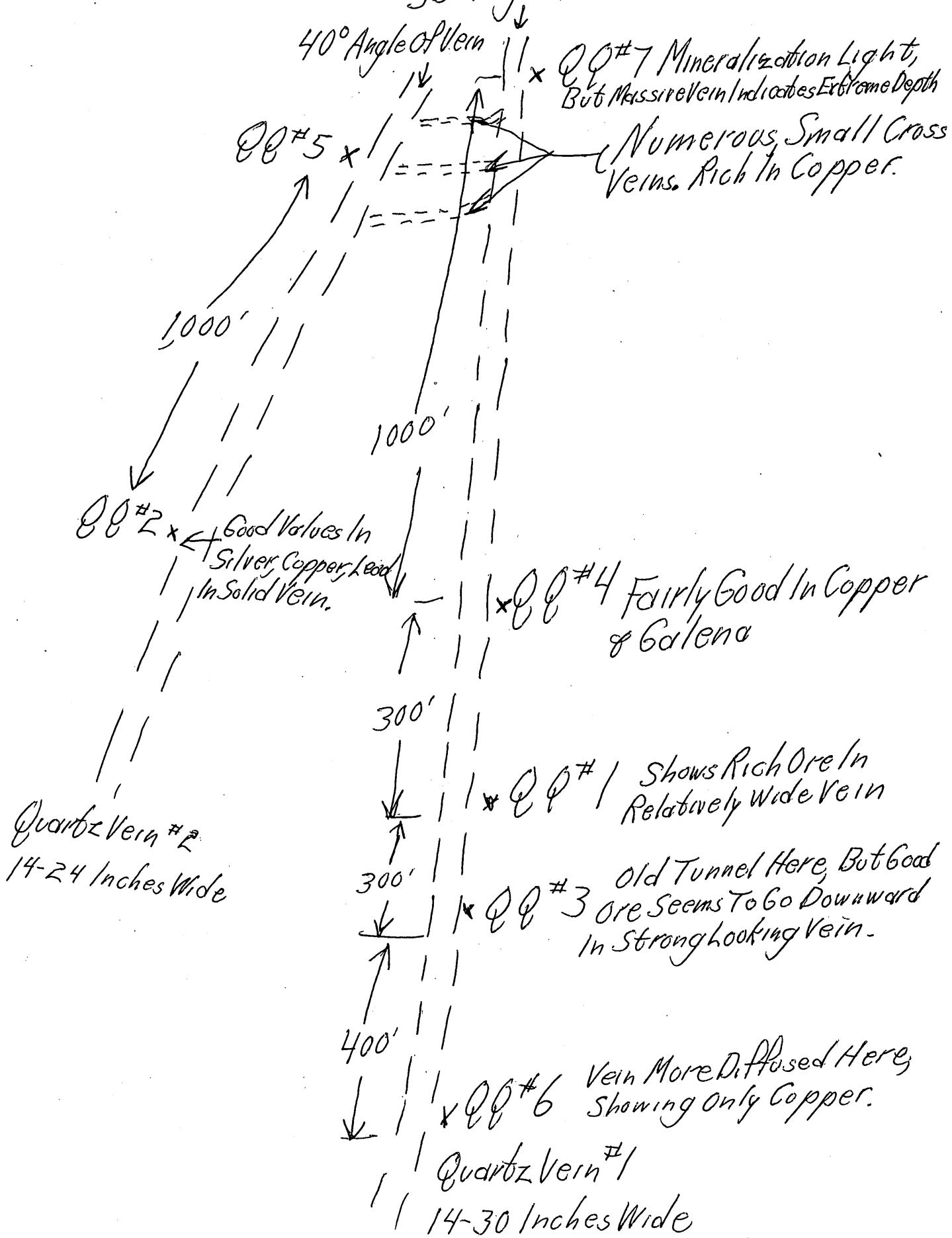
Total of Application - - - - - $30,000.00

Melvin G. Palmer

Melvin G. Palmer
1321 Broadway,
Needles, Calif. 92363

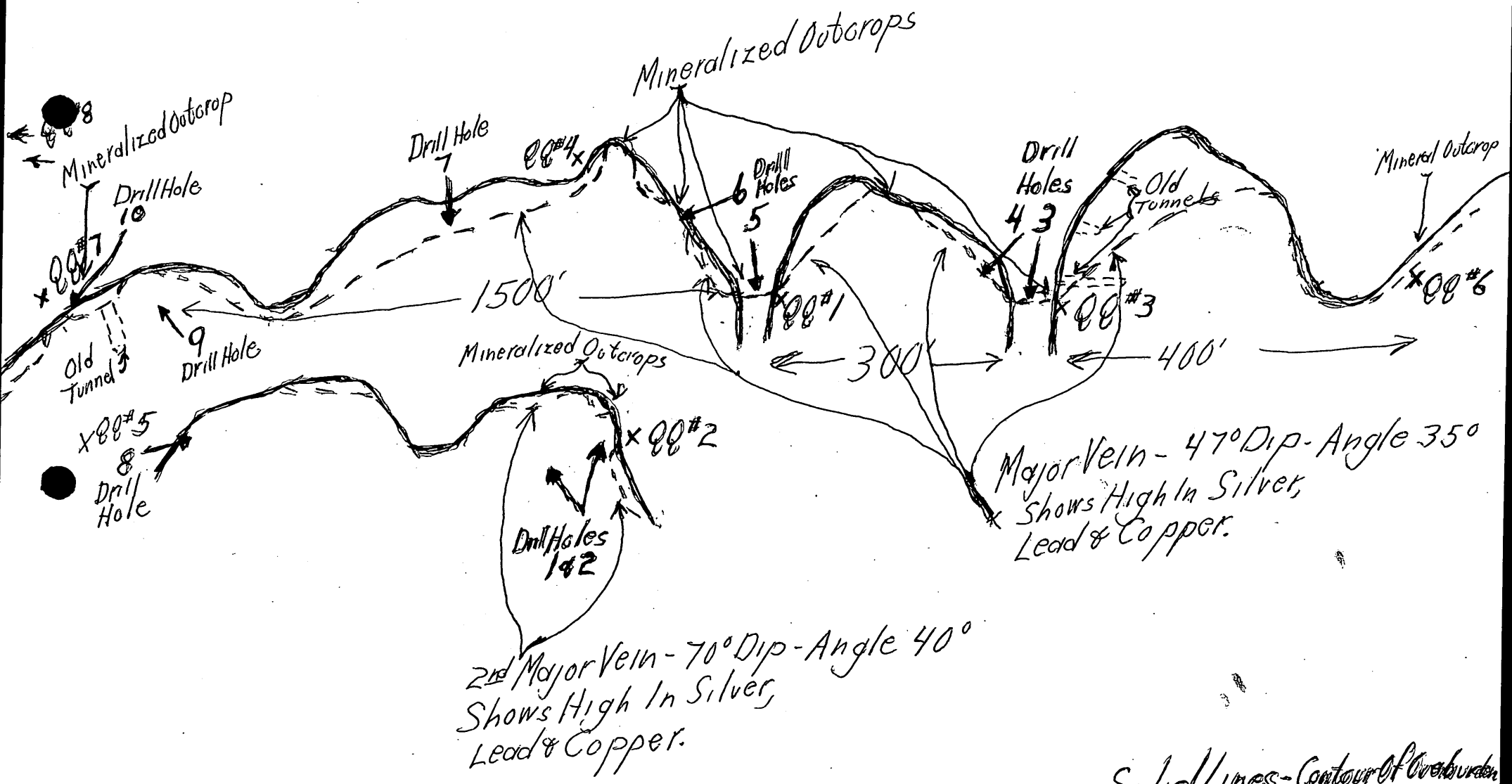
Sketch (Top)

Melvin G. Palmer
1321 Broadway
Needles, Calif.
92363



Sketch (Profile)

Melvin G. Palmer
1321 Broadway
Needles, Calif.
92363



Solid Lines - Contour Of Overburden
Dotted Lines - Main Veins

Melvin G. Palmer
1321 Broadway,
Needles, Calif 92363

APPLICATION FOR FINANCIAL ASSISTENCE IN MINERAL EXPLORATION

June 11, 1968

I hereby certify that I would not normally undertake this exploration of mineral at my sole expense under current conditions or circumstances.

Melvin G. Palmer

Melvin G. Palmer
1321 Broadway,
Needles, Calif. 9
92363

VALLEY NATIONAL BANK

BULLHEAD CITY, ARIZONA 86430

June 7, 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California

Dated June 5

Dear Mr. Palmer:

We are unable to help you with your $30,000 loan request dated today. We are not, at the present, granting this type Mineral Exploration loans nor could we help you with a long-term debt.

Sincerely,

Marshall Nelson

Marshall Nelson
Installment Loan Officer

Requested letter?

Cable Address — BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

NEEDLES BRANCH • 1001 BROADWAY • NEEDLES, CALIFORNIA 92363

June 4, 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California

RE: Term Loan to Business
$30,000.00

Dear June 3

Dear Mr. Palmer:

This is to inform you that we have found it necessary to decline your loan application dated this date in the amount of $30,000.00.

We are not, at the present time, granting unsecured credit for the purpose of Mining exploration. Also the terms of our business loans are for a maximum period of 36 months and we do not feel that this proposed venture would support this high of a monthly payment.

Reprice action?

We suggest that possibly you make application through some agency of the government who would be interested in this type of venture.

Yours very truly,

JOHN J. COCHRAN
Manager

JJC:b

C. C. DOYLE, E. M.
Mining Geologist
PHONE 273-2750
735 WESTERN AVENUE
LOVELOCK, NEVADA

EXAMINATIONS
SCOUTING
METALLICS
NON-METALLICS
PLACERS
DOMESTIC AND
FOREIGN

April 5, 1968

Mr. Melvin G. Palmer
1321 Broadway St.
Needles, Calif. 92363

Dear Mr. Palmer;

You letters of March 29th and April 1st along with the maps I had ordered all game in the same mail. I went over the maps first and came to the same conclusion you did. Then I read your two letters and that corroborated the situation I had encountered. Those mountains are just two extensive for any easy crossing. I checked it from the south and that also looked tough. However I think we can work out a road around that drop-off without too much expense. I believe the $15,000 will about cover it. The figure I do not have is the distance from the road to where we parked, and of course the distance from Needles to the road we turned off.

The tunnels should cost about $35.00 per foot (on contract) but with you putting up the powder, caps, 200 feet of rails, spikes, etc. The total should be $20,000 for the two tunnels. The 200 feet of rails will serve both tunnels. Three small shafts of 100 feet each should be had at a contract cost of about $60.00 per foot plus some timber, powder, caps, fuse, etc., for a total of about another $25,000.

That would give a total of $60,000 plus supervision and other incidentals. Try to get the distance as exact as you can from the highway to th parking spot and from there up the canyon to the mine. I have all three quadrangle maps, Needles, Sawtooth Range and Topock and with your sketch map now have a clear picture of the situation.

One thing I failed to explain to you yet is that we will hit the pre-Cambrian floor under those mud, rhyolite, andesite, diabase, etc., hills as they are sitting up on top of it. When we reach that floor in the mining we may have a very large mine or a very small one. At any rate the ore had to originate much deeper down and come up through the pre-Cambrian before depositing in these volcanic hills which were extruded many millions of years later than the Pre-Cambrian. That floor slopes down gradually from where we saw it up the canyon down to a level not far below where One-Eye had his permanent home. The river by the way has an elevation of about 440 feet above sea-level where we saw it.

Your map was a wonderful help and straightened out the stumbling blocks. The Quartz Queen No. 4 has ore on it. We just sampled where the sericite occurred and may have missed it. OME will probably raise those figures.

C. C. Doyle

C. C. DOYLE, E. M.
Mining Geologist

PHONE 273-2750

735 WESTERN AVENUE
LOVELOCK, NEVADA

EXAMINATIONS
SCOUTING
METALLICS
NON-METALLICS
PLACERS
DOMESTIC AND
FOREIGN

Mr. Melvin G. Palmer
1321 Broadway St.
Needles, Calif. 92363

My dear Mr. Palmer;

I am enclosing herewith copy of the assay certificate on the samples we took on the Quartz Queen claims. Values of each are shown at right. These are of course the value of everything contained and not what one would receive.

No. 1 is on the dump of the Quartz Queen No. 3.
No. 2 is the vein on Quartz Queen No. 4 where we had the sericite.
No. 3 is midway between Quartz Queen No. 1 and No. 3 on the outcrop of the main vein where you were on the high point on vein.
No. 4 was the one containing the azurite.
No. 5 was the one containing the malachite.

The copper assays on these last two seem to me to be too low for the amount of azurite and malachite they contained. I expected about 5% copper in No. 4 and 3% on No. 5. When you write I would appreciate your telling me again the exact location of these last two as I didn't make a note of it at the time. I was two busy thinking out the geology and missed it.

I have sent for a topographic map of the area as I want to check with BLM here on the status of the ground and also to figure some on the road. I sent for the Needles Quadrangle and had to repeat the order as it didn't reach far enough south. It will be here in a day or two and I can get started writing.

Let me know what you found out on the road through the range as I want everything favorable I can get for the report.

With very best regards, I am

Very truly yours

C. C. Doyle

C. C. Doyle

TEL. FAIRVIEW 7-8567 P. O. BOX 867

HORNKOHL LABORATORIES, INC.
CHEMICAL AND TESTING ENGINEERS
714 TRUXTUN AVENUE
BAKERSFIELD, CALIFORNIA

Laboratory No. 128,425 *Marked* Unmarked (Quartz Vein 1' wide)

Sample Rock

Received June 16, 1961

Submitted by Melvin G. Palmer
1321 Broadway
Needles, California

* * * * * * * * * * *

MINERAL ASSAY

GOLD CONTENT		SILVER CONTENT	
Ounces per ton	Value per ton	Ounces per ton	Value per ton
0.04	$1.40	20.86	$18.88

COPPER 1.58%

Respectfully submitted,

HORNKOHL LABORATORIES, INC.

Frederick Fischer, Chief Chemist

FF:es

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS. AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS OR EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

P. O. BOX 1888
165 SOUTH WEST TEMPLE ST.

CERTIFICATE OF ASSAY

BLACK & DEASON

ASSAYERS AND CHEMISTS

TELEPHONE EM 3-2563

Silver 2.00 per oz.
Lead 280 for 1000
Copper 760 " "
Gold 35.00 per oz.

C. O. Doyle

SALT LAKE CITY, UTAH 84110 March 20, 1968

ASSAY PER TON OF 2000 POUNDS

NAME	NO.	GOLD FINENESS	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	Total Values %
#1		0.16 $5.60		11.9 $2.38	19.5 $5.46	1.20 $9.12					$96.009
#2		Trace		0.6 1.20							4.35
#3		0.015 .52		2.0 .40	3.8 $1.064	0.65 4.94					$20.60
#4		Trace		8.0 18.00		0.65 4.94					$22.94
#5		Trace		4.0 9.00	7.0 1.960	0.80 6.08					$34.68

CHARGE $ 28.00

V. E. Worsley

30 So. Main St.
P. O. Box 1889

Jacobs Assay Office

Registered Assayers

PHONE MA 2-0813

Tucson, Arizona, May 21st, 1965

Sample Submitted by Mr. Melvin G. Palmer

Sample Marked	GOLD Ozs. per ton ore	GOLD Value per ton ore * $	SILVER Ozs. per ton ore	COPPER ~~Per Cent~~ Wet Assay	LEAD Per cent Wet Assay	~~Per Cent~~ Wet Assay	~~Per Cent~~ Wet Assay	~~Per Cent~~ Wet Assay
#1-A	Tracer		0 4/10	—	0 1/10			
1-B	0 28	9 80	10 9/10	—	23 0/10			

* Gold Figured $35.00 per oz. Troy

Charges $ 7.00
1.00 Sampling
8.00

Very respectfully,
Ben D. Jacobs

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/27/68	E. Peterson	120
"	Kirkham	120
11/27	Johnson	110
12	Kulogoski	
11/12	Hepp	
		220

AIRMAIL

DEC 3 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California 92363

Re: OME-6734 (Silver, Copper and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Gentlemen:

A careful review of your application for financial assistance to explore the subject property and of other information available to us indicates that the probability of disclosing significant reserves of eligible minerals on your property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for assistance is denied.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
OME Docket
Region II
Mr. Peterson
130

ECPeterson/bsl 11/27/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/27/68	Kirkham	120
		120
11/27	Johnson	110
		220

November 27, 1968

Memorandum

To: The File

From: Edward C. Peterson

Subject: OME-6734 (Silver, Copper and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Justification for Denial of Application

The OME field examiner found no geologic evidence on the property to indicate that further exploration is warranted, and he concluded that the probability of discovering significant reserves of eligible minerals with the proposed exploration was too small to justify Government participation in the work.

Although faults are traceable for several thousand of feet along the strike, only locally do they contain mineralized quartz veins. These mineralized zones are extremely narrow, and assays of samples taken by the examiner of the most favorable appearing vein material indicate erratic grade of mineralization.

There has been no recorded production from the property, and only a few tens of tons of ore grade material is inferred.

I concur with the OME Field Officer and recommend that the application for assistance be denied.

Edward C. Peterson

Edward C. Peterson

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/bsl 11/27/68

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL COPY
O. K. E.
RECEIVED
NOV 25 1968
CODE

November 18, 1968

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6734 (Silver, Copper, and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Enclosed is an Application Report on the subject property recommending that the application be denied on the basis that the geologic probability of making a significant discovery is too low to justify Government participation.

H. K. Stager

Enclosure

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

On-Site Exam Report

APPLICATION REPORT

OME-6734 (Silver, Copper, and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

By

H. K. Stager
Field Officer
OME, Region II

November 18, 1968

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ILLUSTRATIONS

Figure 1. Index map of San Bernardino County, California

INTRODUCTION

Mr. Melvin G. Palmer and his wife, Mrs. Gladys L. Palmer, 1321 Broadway, Needles, California 92363, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6734, to explore for silver, copper, and molybdenum on the Quartz Queen Claims, San Bernardino County, California. The applicants infer the presence of minable ore bodies on the claims and wish to explore for these bodies by diamond drilling.

A field examination was requested by the Office of Minerals Exploration and was made by H. K. Stager, Field Officer, on October 10, 1968, accompanied by Mr. Melvin G. Palmer. The applicants' sketch maps, reports, and assay data were examined and compared with surface and underground exposures in the claim area. Two samples were taken during the examination and the results of the assays are given in the following report.

SUMMARY

The Quartz Queen Claims contain several thin copper- and silver-bearing quartz veins in metamorphic and granitic rocks. There has been no recorded production from the property. The applicants proposed to explore the veins by diamond drilling from surface sites, after constructing several miles of access road through extremely rough terrain, at a total estimated cost of $30,000. The spotty nature of the mineralized material, low grade, and small tonnage potential, do not justify the cost of an access road into the claim area, or the expense of a drilling program if and when access is possible.

RECOMMENDATIONS

It is recommended that the application be denied on the basis that the geologic probability of making a significant discovery is too small to justify Government participation.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Quartz Queen Claims are in sec. 34, T. 7 N., R. 24 E., S.B.B.M., San Bernardino County, California (Fig. 1), on the east flank of the Chemehuevi Mountains in the vicinity of the "Devils Elbow" of the Colorado River at an altitude of about 600 feet.

To reach the property, that is about 15 miles southeast of Needles (the closest town), drive south on Highway 95 about 15 miles, turn left (east) on a poor desert jeep road and drive about 13 miles to where the road ends and then walk eastward about 3 miles to the property. A 4-wheel drive vehicle is required and because of the remoteness of the area a guide is necessary. The trip, from Needles, to the property takes about 3 hours. An easier method of access is by boat from the town of Topock, on the Colorado River about 13 miles from Needles, down river about 5 miles to the "Devils Elbow" and then a short walk of less than one mile westward to the property.

All necessary services, supplies, equipment, and labor are available in Needles. Ample water is available from the Colorado River. Assay services are available in Los Angeles (300 miles) or Las Vegas, Nevada (150 miles), at a cost of about $5 per sample for gold and silver, $2 for copper, and $5 for molybdenum.

PROPERTY

History and Production

Mining activity in the area of the Quartz Queen Claims has been limited to intermittent prospecting for about 50 years. There has been no recorded ore production. Several short adits were driven, on the mineralized outcrops, during World War I or about 1917-1918 when prospecting for copper was active

in the region. The applicants became interested in the area about 1965 and located the Quartz Queen #1 and #2 Claims on the most favorable quartz vein outcrops. Major work by the applicants has been the construction of an access road to within 3 miles of the claim area and the digging of several shallow prospect pits. Six additional claims were located, and filed upon, during 1968.

Ownership

The property consists of 8 unpatented lode mining claims, recorded in San Bernardino, California, as follows:

Name	Book	Page
Quartz Queen #1	439	339
(Amended Notice)	441	133
Quartz Queen #2	460	493
Quartz Queen #3	475	412
Quartz Queen #4	475	413
Quartz Queen #5	475	414
Quartz Queen #6	475	415
Quartz Queen #7	475	416
Quartz Queen #8	475	417

These claims were located, and are presently held, by the applicants.

Financial Eligibility

The applicants furnished copies of letters to two banks requesting loans for the proposed work and also copies of letters from the banks denying the loans. The applicants proposed to furnish their share of the exploration costs in cash.

Development

The property is developed by four short adits, of less than 100 feet in length, and several shallow prospect pits. All workings are accessible

although the portal of one adit is badly caved and dangerous to enter. There are no surface or underground facilities on the property.

GEOLOGY

Geologic Setting

The Quartz Queen Claims are in an area of rough desert topography and exposures are good. Rocks exposed in the claim area are chiefly gneiss and granite of Precambrian age that are intruded by numerous dikes, and locally covered by flows, of Tertiary volcanic rocks. The Precambrian rocks are intensely folded and faulted. Faults, that strike about N. 80° E. and dip 45° N., are the most prominent and commonly contain quartz veins or veinlets that locally are copper, lead, and silver bearing.

Ore Deposits

The ore deposits that have been explored by shallow prospect pits and short adits on the Quartz Queen Claims occur as copper-, lead-, and silver-bearing pods and lenses in thin discontinuous quartz veins along faults in Precambrian gneiss and granitic rocks. The quartz veins range from a few inches to about four feet in thickness but average about one foot where exposed by workings. Most of the quartz is barren or contains only traces of ore minerals. Ore minerals are argentiferous galena, chalcopyrite, azurite, and malachite. Gangue minerals are quartz, calcite, pyrite, and oxides of iron and manganese. Although the faults are traceable for several thousands of feet along the strike, only locally do they contain mineralized quartz veins. The ore shoots occur as pods or lenses that pinch and swell along strike and down dip and do not appear to contain more than a few tons of ore grade material each.

Sampling

Two samples were taken of the most favorable material exposed on the property. These samples were assayed and yielded the following results:

Sample No.	Ounces per ton Gold	Ounces per ton Silver	Percent Copper	Description
QQ-1	Trace	1.00	0.88	Chip sample across face of discovery cut on Quartz Queen #2 Claim (2' quartz vein).
QQ-2	Trace	16.00	1.29	Chip sample across quartz vein in bottom of wash on Quartz Queen #3 Claim (1').

The samples contained visible galena and the lead content was estimated at 1 to 2 percent. No molybdenum minerals were visible in the samples and they were not assayed for this metal inasmuch as only trace amounts were indicated in spectrographic analyses reported by the applicants.

Ore Reserves

The application did not contain an estimate of ore reserves. Only a few tens of tons of low-grade silver-lead-copper ore is indicated or can be inferred from the thin and spotty mineralized outcrops.

EXPLORATION

Applicants' Proposal

The applicants proposed to explore the quartz veins by diamond drilling from surface sites followed by the sinking of two shafts to a depth of 50 feet on the best showings. This work would be preceded by the building of about 3 miles of access road. Total estimated cost of this work was $30,000 and it was estimated that the work would require about 6 months' time to complete.

The greatest problem involved in any work on the property would be access, inasmuch as the claims are in a remote area of rough desert topography. After construction of an access road to the property additional access trails or roads to the prospects and drill hole sites would be required at considerable expense. Because of the spotty nature of the mineralization, the drilling of a few widely-spaced diamond drill holes would probably not yield worthwhile information. The present exposures do not justify the cost of sinking exploration shafts or driving additional adits.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6734
(Copper, Silver, Molybdenum)

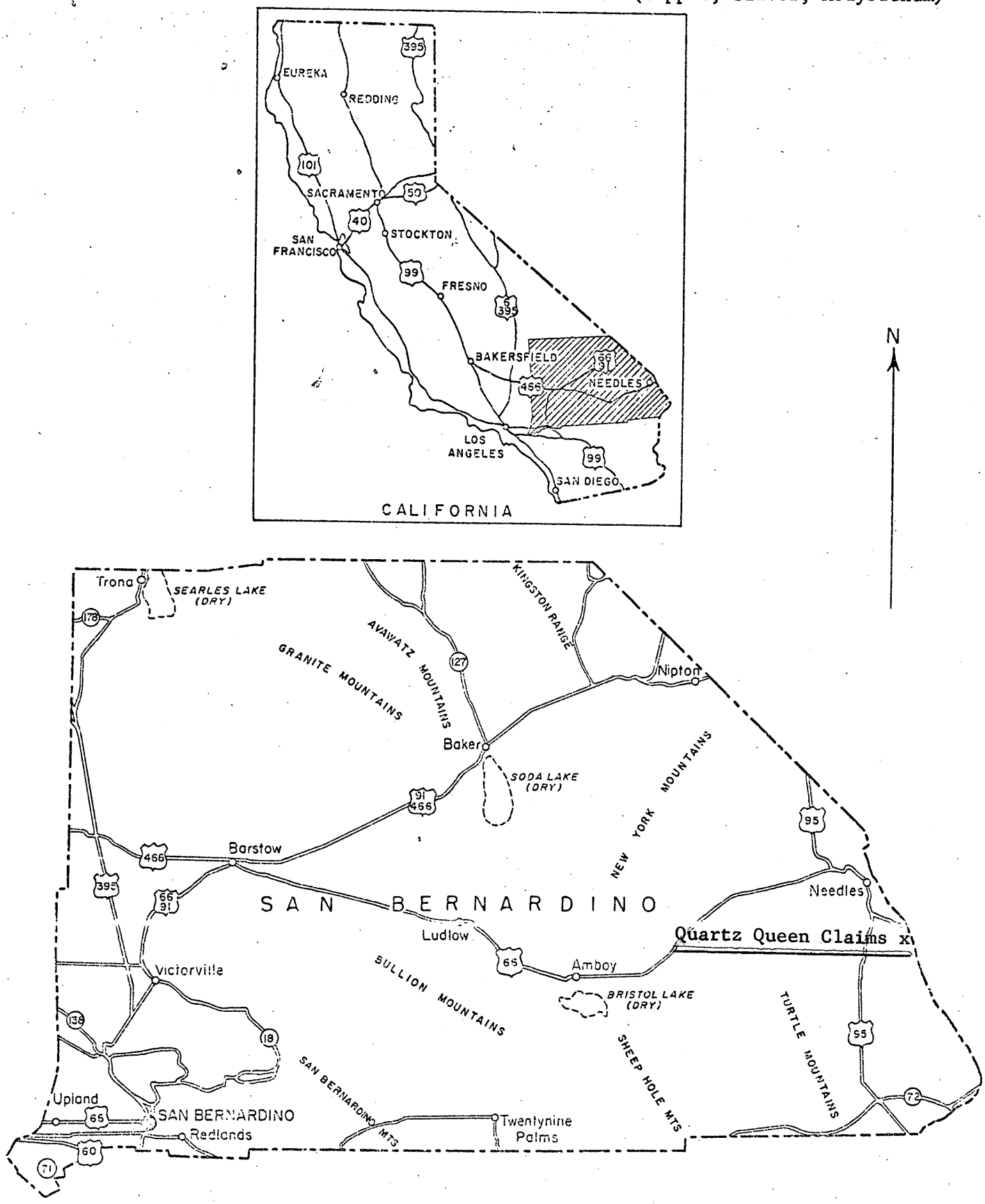

Figure 1. INDEX MAP OF SAN BERNARDINO COUNTY, CALIFORNIA

0 30 60 90 Miles

October 26, 1968

OME-6739

Mr. Harold K. Stager;

Dear Mr. Stager,

I'm sorry about the delay in relaying the information about the recording of our additional six claims. It was unavoidable as I ran into complications at the recorders office.

It seems as though the old style notices I had been using are no longer acceptable. This necessitated filling out new forms and re-submitting them. Then after the usual slow grinding at the recorders office, I finally received the forms back today.

As you requested, I will list the book and pages of the recordings.

Quartz Queen #3	Book 475 . .	Page 412
Quartz Queen #4	Book 475 . .	Page 413
Quartz Queen #5	Book 475 . .	Page 414
Quartz Queen #6	Book 475 . .	Page 415
Quartz Queen #7	Book 475 . .	Page 416
Quartz Queen #8	Book 475 . .	Page 417

Incidentally, that ore sample we took from the short tunnel showed only a slight amount of gold, but again, surprisingly, showed some silver.

This has been the remarkable characteristic of our holdings, - every sample I've ever tested, even from the most unpromising rock, has shown the presence of silver.

We made a trip into the claims last week via the river. I carefully surveyed the bay and water approach as a means of access with heavy equipment. It really does seem rather uncertain as to footing and water level. Perhaps our best bet still is by road. With a big, heavy duty 4 whl. drive and a little blasting, we should be able to get into the lower vein fairly comfortably.

I hear you did nicely at the seminar in Barstow. I'm sorry I couldn't attend.

If you need any additional information, let me know and I'll respond immediately.

Sincerely,

Melvin G. Palmer

Melvin G. Palmer

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U. S. G. S.
RECEIVED
NOV 1 1968

RECEIVED
OCT 30 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 30 1968

INITIALS	CODE
	130
	120
	110
	120

September 27, 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California 92363

Re: OME-6734 (Silver, Copper, Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Dear Mr. Palmer:

I am planning a trip to Southern California during the week of October 7 to 12 and would like to schedule a field examination of your property for Thursday, October 10. I expect to arrive in Needles on Wednesday evening, October 9, and will contact you at the above address at that time. If this date is not convenient for you please telephone, or reply as soon as possible, so that we can arrange a later date.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, WDC
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

August 20, 1968

Mr. Harold K. Stager,
Field Officer:

OME-6734

Dear Mr. Stager,

In a letter dated July 10, 1968, I received from Mr. Frank E. Johnson, of the OME office in Washington, he stated my application for financial assistance had been forwarded to you. He also noted that bids from independent contractors would be necessary.

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 26 1968
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I have gone to considerable effort to attempt to obtain the required material.

We have a unique situation in this area. There are no companies in this locale engaged in contract mining activities. I have ranged far and wide, trying to get some concrete figures. I was finally able to locate one company that made a comprehensive survey and submitted a detailed estimate of the costs of our projected core drilling. This was the Nevada Testing Lab., of Las Vegas, Nevada. I am enclosing their report. As for the shaft work, it seems as though no one is available in the near future. For this reason, I've been unable to get anyone out here for a survey.

The one company who may be available this fall is the Ponderosa Mining and Development Co. of Elko, Nevada. Their quoted cost, without close examination of the property, is $150.00 per foot and up for shaft sinking.

If you have any suggestions that would enable me to more fully fulfill this aspect of the application, please advise.

Sincerely,

Melvin G. Palmer

Melvin G. Palmer
1321 Broadway,
Needles, Calif. 92363

RECEIVED
AUG 22 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY

NEVADA TESTING LABORATORIES, LTD.
FOUNDATION AND SOILS ENGINEERS
LAS VEGAS, NEVADA

July 31, 1968

Mr. Mel Palmer
1321 Broadway
Needles, California 92363

Reference: Proposal for Exploratory Drilling

Dear Mr. Palmer:

We are hereby attaching a copy of our Fee Schedule for the drilling outlined in your letter of July 20, 1968.

One item which was not discussed, was the price for casing as shown in Item 2-6 of our Fee Schedule. It would be best to assume that each boring would require casing.

Not included on the Fee Schedule is the cost for living expenses or per diem. The per diem would run $10.00 a day per man, with a trailer furnished by us for living quarters.

Based on the listed Schedule, we estimate that the cost would be as follows:

Item	Description	Est. Cost
2-5	Drilling Cost - $800/100-ft. of Boring at Eight(8) Holes Each:	$ 7,280.00
2-6	Casing - $100/100-ft. of Boring at 8 Holes Each; Est. 50% Casing:	800.00
2-1	Set Up - Three Men, 12 Hrs./Boring at $39.50/Crew/Hour for 8 Holes:	3,800.00
2-2	Travel, Roundtrip - Three Man Crew & Rig, 8 Hrs. per 215 Miles	312.00

NEVADA TESTING LABORATORIES, LTD.

Mr. Mel Palmer
Needles, California 92363

July 31, 1968

Item	Description	Est. Cost
2-2	Water Truck at $200/Month	300.00
2-5	Bit Wear - Determined from Actual Wear on Job. High Wear in Hard Fractured Rock; Less Wear in Solid, Soft Rock. Estimated at $1.25/Ft. for 800-ft.:	1,000.00
		$ 13,492.00

With regards to shaft sinking, we are not equipped to handle this type of work.

Invoices are submitted, based upon actual time spent on the project. Payment for invoices is due on the 10th. of the month prox.

We trust that this provides you with the information you desire.

Very truly yours,

NEVADA TESTING LABORATORIES, LTD.

By: _____
O. J. Scherer, President

OJS:ea
Attachment

NEVADA TESTING LABORATORIES, LTD.

SECTION - 2 - FOOTAGE ALTERNATE

2-1.	Mobilization & Demobilization of Drill Rig and Crew of Two Men:	$ 27.50/Hour
2-2.	Travel Time of Drill Rig & Crew of Two Men:	27.50/Hour
	Alternate:	1.25/Mile
2-3.	Travel Time of Soils Engineer, Engineering Geologist:	See Engrg. Sched.
2-4.	Travel Time of Drilling Technician:	12.00/Hour

2-5. Alternate Footage Rate for Drilling Operation, Not Including Soils Engineer, Engineering Geologist or Soil Technician.

(a) 4-1/2-in. Diam. Auger Borings, Including Standard Penetration Test (ASTM D1586-64T) Every 5-Foot of Depth.

Price Per Foot:	0 to 30 Feet Depth	8.00/Foot
	30 to 60 Feet Depth	9.00/Foot
	60 to 100 Feet Depth	10.00/Foot

Price Per Foot Over 100-Ft. Depth - Quoted on Request.
Above Prices Not Including Mobilization & Travel Time.

(b) Rock or Caliche; Diamond Bit Borings, Including Core Recovery, Classification & Cardboard Core Boxes, Excluding Diamond Bit Wear.

Price Per Foot:	0 to 50 Feet Depth	7.50/Foot
	50 to 100 Feet Depth	8.50/Foot

Price Per Foot Over 100-Ft. Depth - Quoted on Request.
Above Prices Not Including Mobilization & Travel Time.

(c) Rock or Caliche; Tricone Bit Borings, Including Tricone Bit Wear and Classification, Excluding Diamond Bit Wear.

Price Per Foot:	0 to 50 Feet Depth	7.00/Foot
	50 to 100 Feet Depth	8.00/Foot

Price Per Fot Over 100-Ft. Depth - Quoted on Request.
Above Prices Not Including Mobilization & Travel Time.

(d) Coarse Grained Sand & Gravel, Alluvium; Tricone Bit Borings, Including Bits & Drilling Mud & Classification.

Price Per Foot: 0 to 100 Feet Depth 7.00/Foot

Price Per Foot Over 100-Ft. Depth - Quoted on Request.
Above Prices Not Including Mobilization & Travel Time.

2-6. Casing Borings in Loose Soils, Gravel & Fractured Rock, BX Casing, Including Removal on Completion of Borings: 2.00/Foot

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/9/68	Peterson	120
7/16/68	Kirkham	120
		110
7/11	Case	220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6734 (Silver, Copper and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

We are referring the subject application to you for further study, a field examination, if warranted, and recommendations.

As usual, the application lacks the geologic evidence to indicate the probability of a significant ore discovery, however, it appears that the Applicant has submitted all of the information he has available regarding the property, and further correspondence would add little to what has already been submitted. We have again requested the Applicant to furnish bids for the work to be performed.

From the information submitted it is difficult to ascertain just what the Applicant's plans are. The sketches furnished are not drawn to scale and do not show the proposed access road. A review of the letters prepared by the consultant add no support to the proposal. It is doubtful that exploration of the property can be justified.

For your records, we are enclosing the duplicate copy of the material submitted by the Applicant in response to our letter of June 24.

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 7/9/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/9/68	Peterson	120
7/10/68	McBerner	120
		110
		220
		120M

AIRMAIL

JUL 10 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California 92363

Re: OME-6734 (Silver, Copper and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Dear Mr. Palmer:

This will acknowledge your letter of July 2 enclosing additional information in support of the subject application for financial assistance.

We are referring the application for further consideration to Mr. Harold K. Stager, Field Officer, Region II, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025.

Although you intend to perform the proposed work with equipment you own or rent and hired personnel, it is necessary for you to submit bids from at least two independent contractors for each item of work to support the estimated costs.

For your information, allowances for use of equipment owned by the Operator is calculated in an OME contract by allowing depreciation to the extent of 1/60th of its fair market value, or its book value, whichever is less for each month used on the project. If the equipment is rented, a fair rental charge per month is allowed.

Mr. Stager will notify you if additional information concerning the application is needed, and possibly to make arrangements for an on-site examination of the property.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region II
Mr. Peterson
130

ECPeterson/bsl 7/9/68

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 5 1968
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130
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120

July 2, 1968

Mr. Frank E. Johnson,
Chief, Office of
Mineral Exploration.

Re: OME 6734
Quartz Queen Claims

Dear Mr. Johnson;

In reply to your letter of June 24, 1968, I will try to supply the information as requested. Enclosed are copies of correspondence with the two banks requesting exploration loan. Enclosed are sketches of claim areas giving layout details as prescribed.

In reference to the road work and taking note of the fact OME will not finance more than 20% of the total cost of roads and rehabilitation of old workings, I've made some drastic changes in the plans in this area. In order to work within the regulations, I will not contract any of the work. I will do considerably more of the work myself. It will require hiring two men to help me, but we can make a significant reduction in the dozer work and this is the major cost.

With our participation in blasting, clearing and leveling, I believe we can get out with only 50 hrs. of dozer work.

This will be handled on an hourly basis, not contracted. See revised cost sheet for details. Under this program, we should get by with a total expenditure of $5,156.00, well below the 20% allowable.

As for the actual exploration work itself, I would like to make some minor revisions. Due to the difficulty in obtaining reputable drilling and mine working firms, in this area, it seems advisable to ramrod the entire project myself. I have several experienced drillers in contact and I can obtain the necessary equipment from Las Vegas, Nevada.

Upon careful review of the entire project, it seems more practical to drill 8 test holes rather than ten.

In addition, we will sink two 50' shafts directly on the best ore. This will give us a more intimate picture of the ore development as it extends downward. These shafts will be driven on QQ #2 and QQ #1, in that order.

In the interest of expediency and economy, no

contract will be allocated for this work. Enclosed are cost sheets outlining the detailed expense of this program.

In the event you are not familiar with current costs in this region, I'm enclosing a letter from one of the established firms now engaged in this type of activity.

You will note that they figure $150.00 per foot in shaft work. This seems nominal, but by considerable owner participation, I think we can bring this cost down to $110.10 per foot.

We have the same relative condition in the core drilling. And again is the uncertainty of availability of a qualified organization. For these reasons, the best route seems the one chosen.

Enclosed are cost sheets which are as close as I can get them to benefit all concerned.

Any suggestions you might offer to implement this undertaking will be given immediate attention.

Sincerely,

Melvin G. Palmer

Melvin G. Palmer,
1321 Broadway,
Needles, Calif. 92363

June 3, 1968

Bank of America, Needles,Branch,

Mr. John Cochran, Manager.

Dear Mr. Cochran;

I am hereby making application for a loan from your agency for the purpose of mineral exploration. I have eight claims showing good assays in silver, lead, copper and molybdenum.

The need now is to explore these deposits further to determine continuity and richness.

It will require $30,000.00 to pursue this goal. I would like to borrow this amount on a five year program with interest not to exceed 7½%.

Sincerely,

Melvin G. Palmer

Melvin G. Palmer
1321 Broadway,
Needles, Calif. 92363

June 5, 1968

Manager,

Valley National Bank of Arizona,

Arizona's Bullhead City Branch.

Dear Sir:

I am hereby making application for a loan from your agency for the purpose of mineral exploration. I have eight claims showing good assays in silver, lead, copper and molybdenum.

The need now is to explore these deposits further to determine continuity and richness.

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Sincerely,

Melvin G. Palmer

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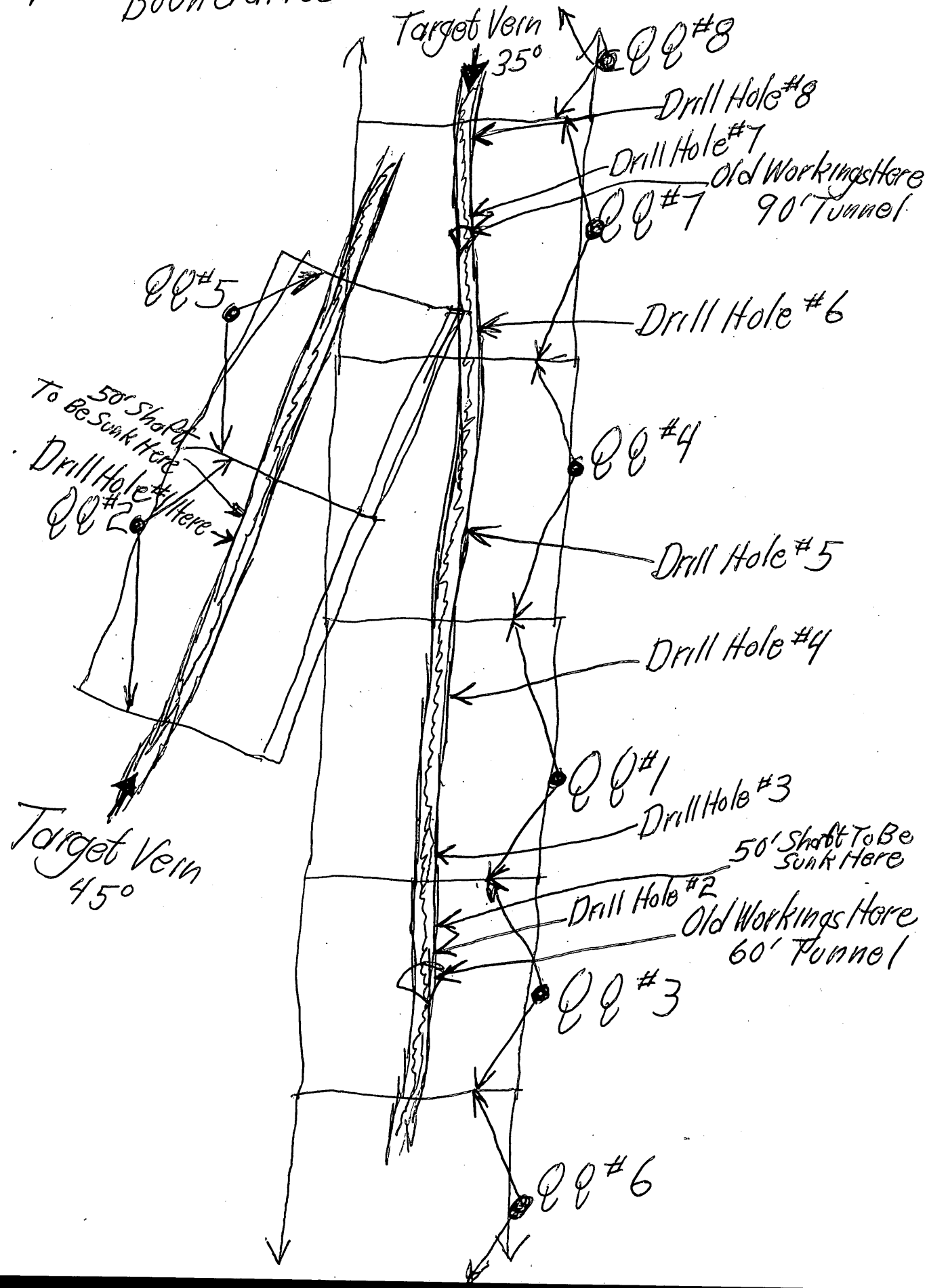
1321 Broadway,
Needles, Calif. 92363

Sketch Of Claims (Quartz Queen) Showing Proposed Work, Target Veins, Old Workings & Boundaries Of Claims.



OME 6734

Exploration Costs
Revised.

1. DIAMOND CORE DRILLING:

8 holes 100 ft. deep. Total 800 ft.;
5-day week, advance 15 ft./day 67 days
+1 day for each change of setup of
drilling equipment = 8=75 days 3 mos. wages
Driller $5.00 per hr. Helper $3.00 per
hr. And an average of 15 feet per shift. - - $ 4.27/ft

Insurance, social security tax, etc. at 18%	.78	"
Compressor Supplies	1.00	"
Steel and Bits	.70	"
Repairs	.75	"
Air and Waterlines	.75	"
Supervision, Engineering, Accounting 3 mos. at $6/mo.	4.00	"
Rental as Below	5.08	"
Total	$ 17.33/ft	

Operator will furnish all equipment.

Compressor	$1650.00
Drill	625.00
Air, Water hoses	300.00
Water Pressure Tank	35.00
Truck, 4 wheel Drive	600.00
Tools	250.00
Slusher	600.00
	$4060.00

Total cost of the project: $13,864.00

OME 6734

Exploration Costs
(Revision #1)

2. Sinking on vein at QQ #2 and QQ #3
Total 100 ft. - 50 ft. at each location
5-day week, advance 2 ft/day 50 days +
3 days to move equipment 53 days 2 mos.
wages: Miners $4.50/hr. Muckers $3.00/hr.

And an average of 2 ft. per shift.	$ 30.00	
Insurance, Social Security Tax, etc., at 18%	5.40	
Powder, fuses, detonators	6.00	
Compressor Supplies	7.00	
Steel and Bits	5.00	
Air and Water lines	5.00	
Supervision, Engineering, Accounting	6.00	
Shoring, Ladders, etc.	5.00	
Rental as Below	40.70	
Total	$ 110.10	per/ft.

The operator will furnish all equip.

Compressor	$1100.00
Drill	490.00
Air, Water hoses	250.00
Water Pressure Tank	30.00
Hoist Motor, Cable	750.00
Truck, 4 wheel Drive	750.00
Slusher	500.00
Tools	200.00
Total	$4070.00

Total cost of the project: $11,010.00

OME 6734

Cost of Road
(Revision)

50 hrs. Dozer and Operator, at $25. per hr.	$1250.00
30 days wages-Driller/$5.00 per hr., Mucker/$3.00 per hr.	1920.00
Social Security, Ins. at 18%	153.00
Supervision, Accounting	1013,00
Equipment Rental:	
Compressor	500.00
Drill	100.00
Air Hose	20.00
Powder, Fuse, Detonaters	200.00
Total Cost of Project	$5156.00

Ponderosa Mining & Development Co., Inc.

WRITE TO:
P. O. BOX 5
ELKO, NEVADA 89801

NEVADA DIVISION
OFFICE
BULLION ROAD

TELEPHONE
(702) 738-6811

April 27, 1968

Mr. Melvin G. Palmer
1321 Broadway St.
Needles, Calif. 92363

Dear Mr. Palmer:

Thank you for your letter dated April 22, 1968. We are very much interested in contracting your proposed project as described in your letter.

We have the equipment and men for the job and years of experience in this type of work.

However, it is highly unlikely we would be available before winter, as we are pretty well committed on a number of projects in the northwest already for this summer.

Also, it would be necessary for us to make a trip there and review the proposed work before making an estimate.

If you can hold off until winter, a rough cost might be as follows:

Drifting	-	$40 to $50 per lin. foot
Sinking	-	$150 ± per foot of depth

Yours truly,

M.L. TATE, Gen. Mgr.

MLT/dc

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/24/68	Peterson	120
6/24/68	Kirkham	120
		110
		220
		120M

JUN 24 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California 92363

Re: OME-6734 (Silver, Copper and Molybdenum)
M. G. and G. L. Palmer
Quartz Queen Claims
San Bernardino County, California

Dear Mr. Palmer:

A preliminary review of your application for exploration assistance indicates that the following additional information is required before we can continue its processing.

Furnish copies of your correspondence to the two banks requesting an exploration loan. The letters should state the amount of the loan, purpose, date, and terms requested.

A map of sketch that correctly shows the location of the proposed work and its relation to the target veins, to the old workings, and to the boundaries of the claims involved is required. The sketches furnished with the application do not provide this information.

In reference to the proposed project, we note that much of the work consists of road and building construction, and mine rehabilitation. Under OME regulations, such work should constitute not more than 20 percent of the total cost with the major portion of the funds used for exploration purposes. In view of the limited amount of exploration proposed, the estimated cost of constructing a 3-mile access road cannot be justified.

If access to the project area can be gained at a more modest expense you should submit a revised detailed cost estimate for the work. Please note that in an OME contract office expenses are held to a minimum. Normally, $50.00 to $75.00 per month is considered sufficient for this purpose.

As you have indicated the proposed drilling and bulldozing work will be contracted, the cost estimates should be supported by bids from three independent contractors if possible for each item of work.

We will be pleased to consider your application further upon receipt of the requested information. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region II
Mr. Peterson

ECPeterson/bsl 6/24/68

June 20, 1968

Mr. Melvin G. Palmer
1321 Broadway
Needles, California 92363

Subject: OME-6734

Dear Mr. Palmer:

Your application for exploration assistance, dated June 14, 1968, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6734.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region II