DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/12	Griswold	500
"	Johnson	110
"	Mittendorf	100
3/13	C	220
		225

MAR 12 1957

Mr. C. V. Liljenquist, Sec'y-Treas.
Silver Bay Mines, Inc.
1787 Blaine Avenue
Salt Lake City, Utah

Re: Docket No. DMEA-4477 (Lead-Zinc)
Silver Bay Mines, Inc.
Blackhawk, et al. claim group
San Juan County, Colorado

Dear Mr. Liljenquist:

We have your letter of March 2 in which you protest our denial of your application for Government assistance on the cited exploration project.

It probably is inevitable that there should be times when the owner of a mining property should feel that work of exploration is warranted and yet the engineers and geologists of the Government cannot feel that Government participation in such work is justified. They must adhere to the regulations and concepts of the Defense Minerals Exploration Administration program, and within such limits must arrive at their conclusions.

We have again reviewed the docket covering your application with considerable care, and it is with sincere regret that I must advise you that our position of denial is maintained.

Sincerely yours,

G. O. Mittendorf (for)

Administrator

WRGriswold/er 3/12/57
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

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DMEA
RECEIVED MAR 5 1957

DATE	INITIALS	CODE
3/5	C	220
3/5	WR	500
		225

DMEA

Denver, Colorado March 2, 1957

Grossvald
Betts

Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Docket No. DMEA-4477 (Lead-Zinc)
Silver Bay Mines, Inc.

Gentlemen:

Your letter of December 7, 1956, signed by C.O. Mittendorf, was received by me some time ago and was a surprise and dissappointmentto me.

It is my opinion that the report you have received from engineers of your department here have been misleading and have created the impression we are trying to make a mine in the area we are now working. It has never been our opinion that we would encounter ore bodies of commercial grade in the area where we have done the tunnel work and drifting so far. We have, however, been expecting to encounter a vein that we could follow with a tunnel that would lead us up to the large mineralized zone located under the Bonita fault. All the geologists, including Dr Burbank of the Geologic Survey) have assurred us that when we reached this zone near the fault that we would encounter a major lode from which many of the veins of the surrounding mines have their source.

After spending considerable time and money drifting into the mountain in search of a vein that we could turn on and follow up to the Bonita fault zone, we were able in our drilling and geology investigation to locate the vein last year we have been seeking and we drifted, entirely on our own expense, about 460 feet on this vein that is taking us in just the right direction we want to go. I call to your attention the fact that we have worked under a DMEA contract for some years prior to 1956 and that we were able to get this contract on the advice and report of Dr Burbank, who is with the Geologic Survey there in Washington and who made the survey and mapped the area of the Bonita fault. He, and other geologists last year, are unanimous in their opinion that when we get up in the Bointa fault zone we should encounter large quantities of good ore. The outcroppings of this zone are of tremendous size. It is our thought, as advised by the geologists, that we will have to drive the tunnel about 800 feet further to encounter this zone we have been seeking. If necessary, I can furnish you with these reports; however I think the best authority is Dr Burbank himself. In as much as your engineers who checked our operation for this contract were not able to get up in the Bonita zone referred to above and in view of the geologic reports we have, I ask that you reconsider this case and withhold your denial of the contract until these matters presented herewith are further considered by you. Therefore I protest the decision in your letter of December 7th, under the above docket number. I will appreciate your kind attention to this matter.

Very truly,

G. V. Lilengquist

Secretary, Silver Bay Mines, Inc.
204 Mercantile Bldg.
Denver, Colorado

File Copy
Surname
Griswold
Lamb
Nelson
Selfridge
Johnson

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

DEC - 7 1956

Mr. C. V. Liljenquist, Sec'y-Treas.
Silver Bay Mines, Inc.
1787 Blaine Avenue
Salt Lake City, Utah

Re: Docket No. DMEA-4477 (Lead-Zinc)
Silver Bay Mines, Inc.
Blackhawk, et al. claim group
San Juan County, Colorado

Dear Mr. Liljenquist:

Your application for aid for an exploration project and other data available to us in Washington referring to the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of lead-zinc mineralization on your property, indicates to us that the probability of disclosing significant ore reserves is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold/er 12/5/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

December 5, 1956

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Denial of Application, Docket No. DMEA-4477, Silver Bay Mines, Inc., Blackhawk et al. claim group, San Juan County, Colorado

The cited application does not appear to possess even a faint color of merit. We were previously in a project on this property, on the Big Indian vein (DMEA-487) and nothing was found.

The present application deals with another "vein", the Blackhawk, on which some 470 feet of drifting has already been done to no purpose. Actually, it appears to be no more than a little crack in the rock, an inch or so wide. The Applicant hopes that if the drift was continued another 1700 feet to the intersection with the Bonita fault, ore might be found. However, the chances are that this little fracture would not even persist that far, much less making any significant ore.

W. R. Griswold

W. R. Griswold

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

RECEIVED DEC 4 1956 D.M.E.A.

December 4, 1956

Re: DMEA 4477; Lead-zinc
Silver Bay Mines, Inc.
Black Hawk, et al Claim group
San Juan County, Colorado

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, Branch of Base Metals

Subject: Review of Field Team report dated November 9, 1956, received November 20, 1956.

The field team examiners, E. W. Buel (USBM), and Don H. Richter (USGS) visited the area October 30, 1956, but were unable to inspect the property because of heavy snowfalls. Data supplied by the company's representative revealed that recent development consisting of 340 feet of drifting and 55 feet of cross-cutting on the company's Blackhawk vein had failed to reveal any mineralization approaching ore grade and that a 180-foot drill hole pointed to intersect an inferred ore chimney cut a barren quartz-clay zone, but yielded no sulfides. Information available indicates tha Blackhawk outcrop to be sparsely mineralized, and experience on the property under the previous Contract Idm E-26 has not indicated the area to be one of strong mineralization.

Previous requests for Contract amendments to explore the Blackhawk vein were denied because the examiners believed the vein lacked promise. In summary the field examiners state that the Blackhawk vein is a "thin mineralized fracture .... and does not warrant further exploration", and that "the inferred chimney on the vein has not been proved by drilling." They state the possibility of a significant discovery is remote and recommend that the application be denied.

The field team concurs in the recommendation. I consider these conclusions justified and recommend denial.

O. M. Bishop
O. M. Bishop

Copy to: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
Files

IN REPLY REFER TO:

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

RECEIVED NOV 27 1956 D.M.E.A.

November 21, 1956

Re: DMEA 4477
Silver Bay Mines
Blackhawk et al claims
San Juan County, Colorado
$92,655.20 - Lead-zinc

Griswold

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Report (Office)

The applicant requested assistance in driving a 2,000-foot extension of the Blackhawk adit on the Blackhawk vein and 160 feet of drifts. Few data were submitted in justification of the application.

On October 30, 1956, the examiners made an unsuccessful attempt to examine the property. Heavy snowfall prevented access to the mine and work had been stopped for the winter. From information obtained in the course of work on the Big Indian vein by the same applicant in the same area (DMEA 487 Idm-E26), the examiners and Field Team concluded the application could be denied without a field examination. Previous requests for assistance in doing work on the Blackhawk vein have been denied because of the lack of promise of the vein and distance, 2,000 feet, to the projected intersection of the vein and the Bonita fault, the site of an inferred orebody. The Blackhawk vein has been drifted upon for 475 feet, part of which was DMEA assisted work, and the results are uniformly unfavorable.

I consider the conclusions of the examiners and Field Team justified and concur with the denial recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED NOV 16 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

November 14, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA No. 4477 (Lead-Zinc) Silver Bay Mines, Inc. (Blackhawk, et al Claim Groups) San Juan County, Colorado

Enclosed are the original and three copies of a joint memorandum by D. H. Richter and E. W. Buell, who made an unsuccesful attempt to examine the subject property.

The information furnished in their memorandum is sufficient, we believe, to deny the application at this time without waiting for a field examination next Spring. We therefore recommend that the application be denied without a field examination.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
11-19-56
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
NOV 13 1956
REGION III
DENVER, COLORADO

RECEIVED
NOV 16 1956
D.M.E.A.

November 9, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman
J. F. Shaw

From: D. H. Richter
E. W. Buel

Subject: Docket DMEA 4477 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk, et al claim groups), San Juan County, Colorado

On October 30, 1956, an unsuccessful attempt was made to inspect the above-named property for an examination report. Heavy snowfall prevented access to the mine and surrounding property, and all work had been terminated for the winter season on October 13, 1956. However, R. A. Hildebrand, President, and other officials of the Tech-Ser Mining Company (contractor and representative for the applicant) furnished the examining team with information which we believe precludes the need for a field examination in the spring.

The applicant proposes to explore the Blackhawk vein, one of two so-called major veins - the Blackhawk and Big Indian - present in the mine. Briefly his proposal is to drift along the Blackhawk vein to an inferred intersection with the Bonita fault approximately 2,000 feet away. Also proposed are two crosscuts totaling approximately 160 feet.

Reviewed by
DMEA OPERATING COMMITTEE
11-19-56
(date)

The applicant has had a previous contract with the Government (DMEA 487, Idm-E 26). During this contract period, which provided for exploration of the Big Indian vein on the subject property, the operator on three occasions requested to change the scope of the original program and explore the Blackhawk vein. These requests were denied, based on the lack of adequate exploration on the Big Indian vein and the unfavorable geologic character of the Blackhawk vein. After the operator's last request to amend the contract and explore the Blackhawk vein, the Government field examiners [1] stated: "The field examiners do not believe that the target [inferred chimney on Blackhawk vein] is sufficiently promising to warrant the drifting requested by the applicant. However, they would consider a program consisting of three diamond drill holes to explore the area beneath the gossan [inferred surface expression of chimney]." Even the operator in his "Final Operational Report" of June 14, 1956, stated: "... we ... started a drift along a spur or split off of the main vein from a point near the portal of the tunnel for a distance of 71', which we assumed to be the projection of the Blackhawk Vein from surface indications. The split continued to be quite impoverished and the present heading in this direction reveals a narrow stringer only 1" in width which contains some values in lead and zinc only." This drift was on the Blackhawk vein.

---

[1] C. M. Harrer, U.S.B.M., and J. E. O'Rourke, U.S.G.S.: Memo August 1, 1955, to Executive Officer, DMEA Field Team, Region III.

In our discussions with the Tech-Ser Mining Company officials in Silverton, it was brought out that an additional 340 feet of drifting and 55 feet of crosscutting has been done on the Blackhawk vein and nothing approaching ore-grade material has been found (see accompanying map). The face at the end of the new drift is fresh andesite containing a thin 1-inch mineralized fracture of quartz and pyrite. This is the same vein that the operator called "impoverished" in his letter quoted above and the same vein that the operator (now applicant) is requesting Government assistance to explore. The Tech-Ser Mining Company has also drilled one hole, as proposed by Government examiners in 1955, to intersect the inferred mineralized chimney at the drift elevation. This hole, 180 feet long, cut a zone of quartz and clay, but nothing indicative of sulfide mineralization was observed. Furthermore, from the information available to us, the surface expression of the Blackhawk vein consists of a few small mineralized or gossan zones sporadically exposed under a heavy talus cover. It is doubted very seriously if the outcrops have been observed as far away as the Bonita fault.

The applicant's contention (page 2, application) of large ore possibilities along the vein because of the presence of "Birdseye Andesite Porphyry" float found in a draw near the mine is entirely unfounded.

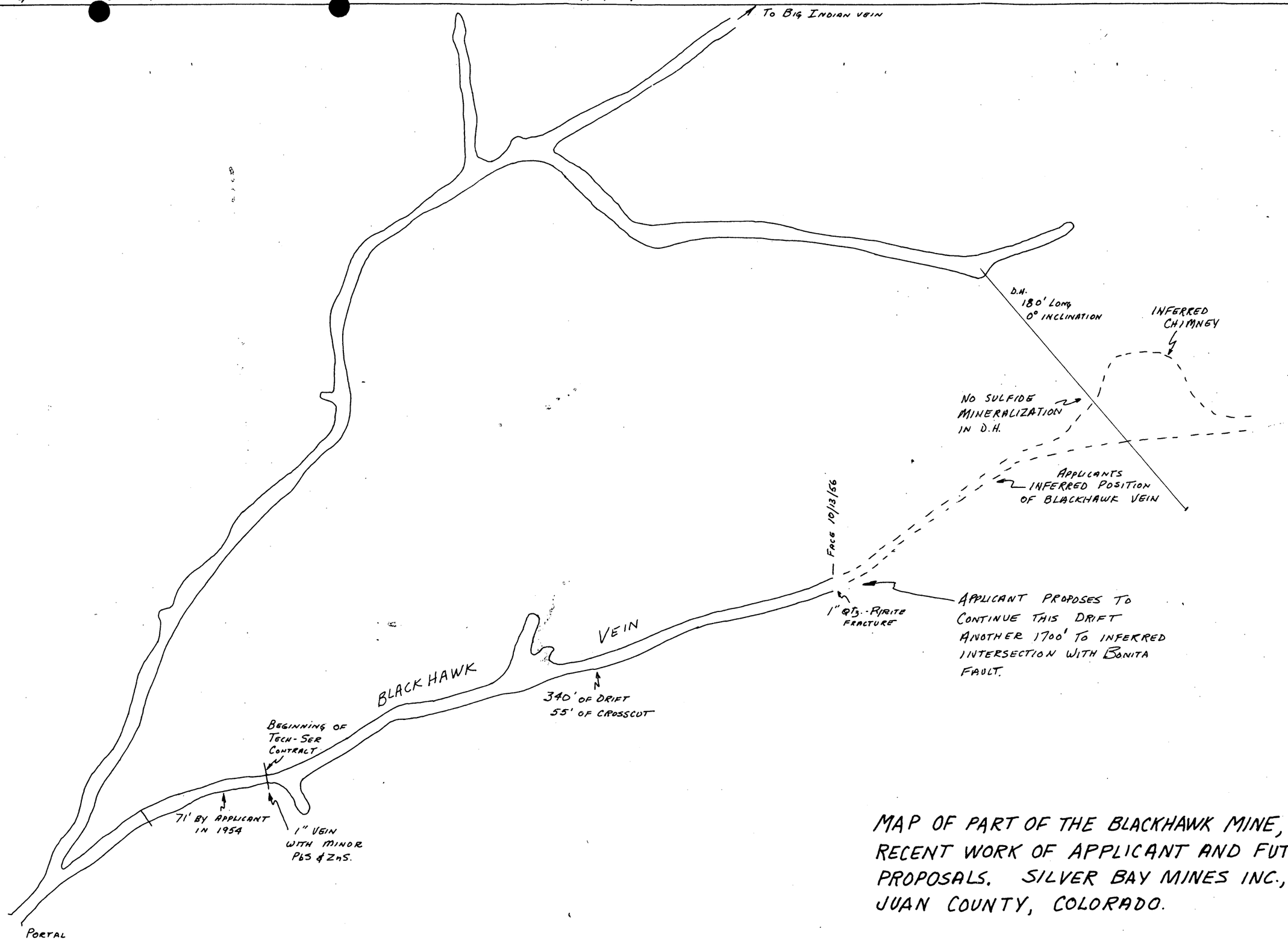
In summary then, it appears that the Blackhawk vein is merely a thin mineralized fracture over a length of about 475 feet and does not warrant further exploration. Likewise, the inferred chimney on the vein has not been proven by drilling. Therefore, we strongly feel that the possibility of finding significant ore d eposits, by the proposed program, is remote and we recommend that on the basis of the information given in this memo that the application be denied.

D.H. Richter

D. H. Richter

E. W. Buel

E. W. Buel



MAP OF PART OF THE BLACKHAWK MINE, SHOWING RECENT WORK OF APPLICANT AND FUTURE PROPOSALS. SILVER BAY MINES INC., SAN JUAN COUNTY, COLORADO.

SCALE 1" = 50'

D. RICHTER 11/56

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

Grunwald
Beety

224 New Customhouse
Denver 2, Colorado

November 14, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA No. 4477 (Lead-Zinc) Silver Bay Mines, Inc. (Blackhawk, et al Claim Groups) San Juan County, Colorado

Enclosed are the original and three copies of a joint memorandum by D. H. Richter and E. W. Buell, who made an unsuccessful attempt to examine the subject property.

The information furnished in their memorandum is sufficient, we believe, to deny the application at this time without waiting for a field examination next Spring. We therefore recommend that the application be denied without a field examination.

DMEA Field Team, Region III

Original signed by
W. M. TRAVER

By W. M. Traver
Executive Officer

Enclosures

HMC:ytl
cc
Sec. Op. Comm. (4)
Harshman
Shaw (2)
Docket 4477
Chron.

Reviewed by
DMEA OPERATING COMMITTEE
11/19/56
(date)

RECEIVED
NOV 20 1956
DMEA

IN REPLY REFER TO:

DMEA

DEPARTMENT OF THE INTERIOR

NOV 13 1956

REGION III

DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver Colorado

November 13, 1956

RECEIVED NOV 16 1956 D.M.E.A.

Memorandum

To: Executive Officer DMEA Field Team Region III
Through: E. H. Barshman
J. F. Shaw

From: D. H. Richter
L. W. Buel

Subject: Docket DMEA 4477 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk et al claim groups), San Juan County Colorado

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The applicant proposes to explore the Blackhawk vein one of two so-called major veins - the Blackhawk and Big Indian - present in the mine. Briefly his proposal is to drift along the Blackhawk vein to an inferred intersection with the Bonita fault approximately 2,000 feet away. Also proposed are two crosscuts totaling approximately 160 feet.

Reviewed by
DMEA OPERATING COMMITTEE

(Date)

The applicant has had a previous contract with the Government (DMEA 437, Idm-E 26). During this contract period, which provided for exploration of the Big Indian vein on the subject property, the operator on three occasions requested to change the scope of the original program and explore the Blackhawk vein. These requests were denied, based on the lack of adequate exploration on the Big Indian vein and the unfavorable geologic character of the Blackhawk vein. After the operator's last request to amend the contract and explore the Blackhawk vein, the Government field examiners _/ stated: "The field examiners do not believe that the target [inferred chimney on Blackhawk vein] is sufficiently promising to warrant the drifting requested by the applicant. However, they would consider a program consisting of three diamond drill holes to explore the area beneath the guessa [inferred surface expression of chimney]." Even the operator in his "Final Operational Report" of June 14, 1956 stated: "... we ... started a drift along a spur or split off of the main vein from a point near the portal of the tunnel for a distance of 71' which we assumed to be the projection of the Blackhawk Vein from surface indications. The split continued to be quite impoverished and the present heading in this direction reveals a narrow stringer only 1" in width which contains some values in lead and zinc only." This drift was on the Blackhawk vein.

_/ C. M. Harrer, U.S.B.M., and J. E. O'Rourke, U.S.G.S.: Memo August 1, 1959, to Executive Officer, DMEA Field Team, Region III.

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In summary then, it appears that the Blackhawk vein is merely a thin mineralized fracture over a length of about 475 feet and does not warrant further exploration. Likewise, the inferred chimney on the vein has not been proven by drilling. Therefore, we strongly feel that the possibility of finding significant ore deposits, by the proposed program, is remote and we recommend that on the basis of the information given in this memo that the application be denied.

D. H. Richter

D. H. Richter

E. W. Buel

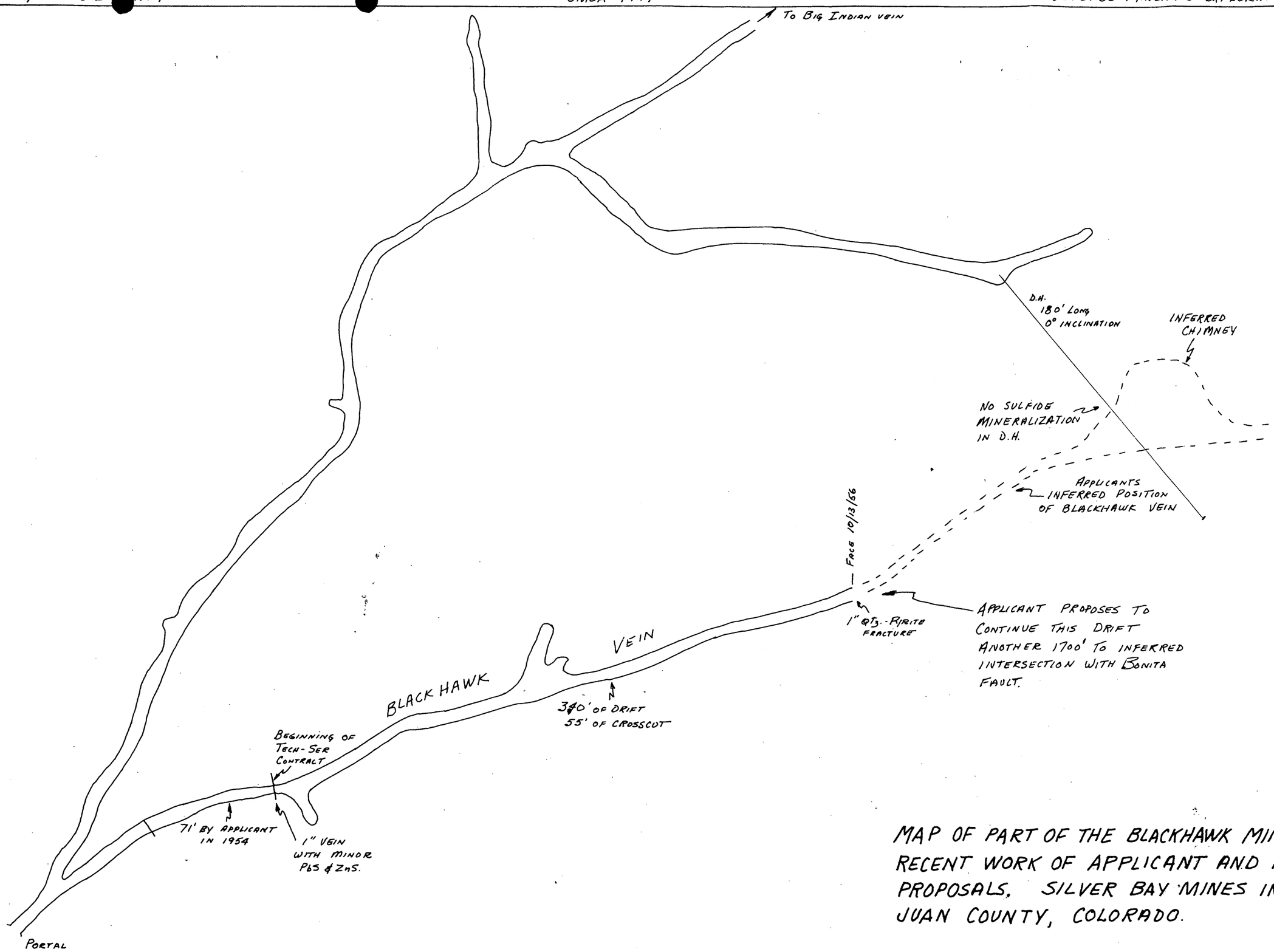
E. W. Buel

DHRichter:arh

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4477

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION



MAP OF PART OF THE BLACKHAWK MINE, SHOWING RECENT WORK OF APPLICANT AND FUTURE PROPOSALS. SILVER BAY MINES INC., SAN JUAN COUNTY, COLORADO.

SCALE 1" = 50'

D. RICHTER 11/56

File Copy
Surname
Griswold
Selfridge
Mathewson

500

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

OCT - 4 1956

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4477 (Lead-Zinc)
Silver Bay Mines, Inc.
Blackhawk, et al. claim group.
San Juan County, Colorado

Dear Mr. Traver:

The cited application is being referred to your office for a field examination and recommendations. This is in conformance with the request in your September 25 letter. Ordinarily, in view of the meager data submitted, we would have requested more information from the Applicant prior to a field referral.

Copies of memoranda dated September 28, 1956, from O. M. Bishop, Bureau of Mines, and W. P. Williams, Geological Survey, relating to the project, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)
WRGriswold/er 10/2/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

RCS

File Copy
Surname

Finamel
Lamb
Dilsgaard
Selfridge

500

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

OCT - 4 1956

Mr. C. V. Liljenquist, Sec'y-Treas.
Silver Bay Mines, Inc.
1767 Blaine Avenue
Salt Lake City, Utah

Re: Docket No. DMEA-4477 (Lead-Zinc)
Silver Bay Mines, Inc.
Blackhawk, et al.claim group
San Juan County, Colorado

Dear Mr. Liljenquist:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and is being referred for a field examination to:

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

The Regional Office will contact you at an early date as to when an examination is to be made. Any assistance that you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

G. O. Mittendorf

Administrator

WRGriswold/er 10/2/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III(2)
Chron.

Transmit. Daily

RECEIVED
OCT 15 1956

October 11, 1956

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA 4477 (lead-zinc), Silver Bay Mines, Inc. (Blackhawk, et al claims group), San Juan County, Colo.

The application for Silver Bay Mines, Inc., Docket DMEA 4477 in the amount of $92,655.00 was received in this office on October 10, 1956.

A field examination will be made and suitable report prepared by an engineer from the Denver office.

W. H. KING

W. H. King

cc: W. M. Traver (2)
E. H. Harshman
J. F. Shaw
Sec. Op. Com. (2)

RECEIVED
OCT 15 1956

October 11, 1956

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA 4477 (lead-zinc), Silver Bay Mines, Inc. (Blackhawk, et al claims group), San Juan County, Colo.

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W. H. KING

W. H. King

cc: W. M. Traver (2)
S. H. Marshman
J. F. Shaw
Sec. Op. Com (2)

RECEIVED
OCT 15 1956

224 New Customhouse
Denver 2, Colorado

October 10, 1956

Memorandum

To: W. H. King (2) (w/brochure)
E. N. Harshman

From: DMEA Field Team, Region III

Subject: Docket DMEA 4477 (lead-zinc) Silver Bay Mines, Inc. (Blackhawk, et al claims group) San Juan County, Colorado

Enclosed is the subject application in the amount of $92,655.00. A field examination and suitable report are requested.

Also enclosed for your information is a copy of a letter from the Chairman of the Operating Committee, dated October 4, 1956, and memoranda of review of the application by W. P. Williams and O. M. Bishop.

Please return the brochure with report of examination.

DMEA Field Team, Region III

E. N. Harshman

By E. N Harshman
Acting Executive Officer

Enclosures
EMC:ytl

cc: Sec. Op. Comm. (2)
Docket 4477
Chron.

RECEIVED
OCT 1 5 1956

224 New Customhouse
Denver 2, Colorado

October 10, 1956

Memorandum

To: W. H. King (2) (w/brochure)
E. N. Harshman

From: DMEA Field Team, Region III

Subject: Docket DMEA 4477 (lead-zinc) Silver Ray Mines, Inc. (Blackhawk, et al claims group) San Juan County, Colorado

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Please return the brochure with report of examination.

DMEA Field Team, Region III

E. N. Harshman

By E. N. Harshman
Acting Executive Officer

Enclosures
EMC:ytl

cc: Sec. Op. Comm. (2)
Docket 4477
Chron.

IN REPLY REFER TO:

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

RECEIVED
OCT - 1 1956

September 28, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of application, DMEA 4477, Silver Bay Mines, Inc., Blackhawk, et al. claims, Silverton district, San Juan County, Colorado (lead-zinc).

The applicant proposes to explore for lead-zinc deposits on the equivalent of about eight mining claims. Locale of the exploration would be at the site of an old adit-drift known as the Blackhawk mine. According to the application no ore has been produced from the adit and no reserves are in sight.

The proposed work would consist of about 2,000 feet of drifting and 160 feet of crosscutting.

The proposed work as estimated by the applicant would cost $92,655. Large tonnages of new ore reserves should, of course, result from the proposed exploration if the work is to be paid for.

The applicant does not make clear his reasons for wishing to explore, except perhaps, because of "the favorable geology and surface outcroppings". The "Blackhawk Vein" is referred to in the application but nothing is said as to whether it is mineralized and, if so, how strongly. No assay data are submitted.

It appears very strongly that the applicant has no real evidence of mineralization at this time, but he hopes that the exploratory drift may cut ore--especially when the drift reaches the intersection of the "Blackhawk Vein" and the Bonita fault. Unless the applicant can show that the vein-fault intersection is mineralized, it seems that the venture would be of an extremely 'long-shot' nature.

The applicant could reasonably be asked for more information including sampling and assaying returns. Because a timely field examination is desired, however, I recommend referral to the Field Team for appropriate action.

W. P. Williams

W. P. Williams

IN REPLY REFER TO:

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

RECEIVED
OCT - 1 1956

September 28, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of application, DMEA 4477, Silver Bay Mines, Inc., Blackhawk, et al. claims, Silverton district, San Juan County, Colorado (lead-zinc).

The applicant proposes to explore for lead-zinc deposits on the equivalent of about eight mining claims. Locale of the exploration would be at the site of an old adit-drift known as the Blackhawk mine. According to the application no ore has been produced from the adit and no reserves are in sight.

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The applicant could reasonably be asked for more information including sampling and assaying returns. Because a timely field examination is desired, however, I recommend referral to the Field Team for appropriate action.

Copy to: Director's Reading 4212
Branch Reading 4212
DMEA (3)
Docket File
Chron File
W. P. Williams
O. M. Bishop, 3617

Williams:baf -- G: 9/28/56

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

RECEIVED
SEP 28 1956

September 28, 1956

Re: DMEA 4477; Pb-Zn;
$92,655.20
Silver Bay Mines, Inc.
Blackhawk-Confidence-
Big Indian et al claims,
San Juan County, Colo.

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, Branch of Base Metals

Subject: Review of application dated September 24, 1956 received September 27, 1956.

The applicant's property is 9 miles north of Silverton off the Gladstone-Silverton road at an elevation of and in excess of 11,500 feet above sea level. Work proposed is a 2,000-foot extension of the Blackhawk adit on the Blackhawk vein seeking the junction of that vein with the Bonita Fault and to drift north and south a total of 160 feet on a favorable ore structure.

The engineering data compiled appears acceptable, but a field appraisal is necessary to determine the merit of the proposed exploration. I recommend immediate field referral.

O. M. Bishop

O. M. Bishop

Copy to: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
Files

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

RECEIVED
SEP 28 1956

September 28, 1956

Re: DMEA 4477; Pb-Zn;
$92,655.20
Silver Bay Mines, Inc.
Blackhawk-Confidence-
Big Indian et al claims,
San Juan County, Colo.

Memorandum

To: W. R. Griswold, DMEA

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Subject: Review of application dated September 24, 1956
received September 27, 1956.

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O. M. Bishop

O. M. Bishop

Copy to: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
Files

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

RECEIVED
OCT - 1 1956

224 New Customhouse
Denver 2, Colorado

September 27, 1956

Forward Betty

Docket 4477

Memorandum

To: E. N. Harshman

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (lead-zinc-) Silver Bay Mines, Inc. (Blackhawk, Confidence, Big Indian, et al claims) San Juan County, Colorado

In accordance with your request, attached is the Bureau of Mines copy of the subject application.

W. M. TRAVER

W. M. Traver

HNC:ytl

Enclosure

cc: Sec. Op. Comm. (2)
Shaw (2)
Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

September 27, 1956

Silver Bay Mines, Inc.
1787 Blaine Avenue
Salt Lake City, Utah

Subject: DMEA-4477
Re: Exploration Assistance
Black Hawk Mine

Gentlemen

Your application for exploration assistance, dated September 24, 1956 submitted to our office at Denver, has been assigned Docket Number DMEA-4477 and referred to the Base Metals Division. in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to:

Region III. Denver 2, Colorado

Code 500

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

RECEIVED
SEP 27 1956

224 New Customhouse
Denver 2, Colorado

September 25, 1956

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (lead-zinc) Silver Bay Mines, Inc. (Blackhawk-Confidence-Big Indian-et al claims) San Juan County, Colorado

Enclosed are three copies of the subject application in the amount of $92,655.20.

Please expedite the referral of this application to the field. On account of the high altitude and approaching winter, we would like to make this examination this Fall if possible.

The Applicant's answer to 3 (a) indicates that some open ground now exists, but the Applicant will submit, at a later date, evidence that he has staked the open ground, and he will submit a supplemental map showing this claim.

It is noted that one of the claims submitted in this application, Big Indian No. 14325, was subordinated to the Government in Docket DMA 487, Contract I-dma-E26.

W. M. Traver

W. M. Traver

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
SEP 27 1956

DMEA
DEPARTMENT OF THE INTERIOR
SEP 24 1956
REGION III
COLORADO

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 4477
Metal or Mineral Lead-Zinc
Date Received 9-27-56
Estimated Cost $92,655.20
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Silver Bay Mines, Inc., A Utah Corporation
1787 Blaine Ave. (-Pres. Ray V. Liljenquist, 6300 So. 2300 East
Salt Lake City, (Utah-Vice President, None
(Sec'y.-Treas., C. V. Liljenquist, 1787 Blaine Ave
both of Salt Lake City, Utah

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Patented Claims as follows: Blackhawk #14325, Confidence #14325, Big Indian #14325, Murton #14325, Jo Pi #14325, Pels No. 3 #14325, Immatchock #18849 and Tip Top #18849 all being located in Sections 21 & 22, Twp. 42N, Range 27W, San Juan County, Colo. Addittional claims attached.

(*b*) State any mine name by which the property is known. Black Hawk Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Lead & Zinc

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within See Supplement days and be completed within See Supplement months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

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.

Dated September 24, 1956

Silver Bay Mines, Inc.
(Applicant)

By C. V. Liljenquist
C. V. Liljenquist, Sec'y.-Treas.

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Silver Bay Mines, Inc.
1787 Blaine Ave.
Salt Lake City, Utah

SUPPLEMENT TO FORM MF*103

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED:

****

1. Name of applicant:
   (a) Silver Bay Mines, Inc., 1787 Blaine Ave., Salt Lake City, Utah
   (b) A ~~Nevada~~ Utah Corporation
   (c) President, Ray V. Liljenquist, 6300 So., 2300 East, Salt Lake City, Utah.
   Vice-President: None
   Sec'y.-Treas.: C. V. Liljenquist, 1787 Blaine Ave., Salt Lake City.

3. Applicants property rights:
   (a) Patented Claims listed on MF-103
   Unpatented Claims:
   Big Indian No. 1, recorded in Book 172, Page 241.
   Big Indian No. 2, recorded in Book 172, Page 242.
   We have been unable to locate the book and page number of these claims but as soon as we have this information we will forward same to you.
   Please note on the claim map marked exhibit "B" that their is a small parcel of land between the Confidence Claim and the Jo Pi Claim that is not covered by a claim. This was filed on three years ago but we have been unable to find our field notes so that we could properly or accurately draw in this claim. As soon as we get this information we will furnish you a supplemental map showing this claim. We assure you that this ground belongs to our company and if we are unable to properly locate this claim we will file another claim to fully protect us.

   (b) Mine is known as the Blackhawk Mine

   (c) We are the owners of the property

   (d) Not applicable

   (e) Their are no liens or encumberances on the property

   (f) See notation regarding book and page numbers in item 3 (a)

4. Physical description:
   (a) The Blackhawk tunnel adit is adjacent to Emery Peak and approximately 1,800' to 2,200 feet to the west of the summit at an elevation of 11,500' in Section 21, Twp. 42 North, Range 7 West, NMPM., San Juan County, Colorado.

   We are presently driving a drift on a vein system, which we call the Blackhawk Vein, from a point near the portal as shown on the accompanying map marked exhibit "A" projected to a point which we believe to be the junction of the blackhawk vein with the Bonita Fault some 1,800' to 2,200' east by north east.

Silver Bay Mines, Inc.
1787 Blaine Ave.
Salt Lake City, Utah

The property is accessable by a narrow but well-graveled mountain road with the Gladstone-Silverton county road. Both roads are passable to jeep transportation and can be examined any time until heavy snows of the late winter months close them.

(b) We have not shipped any ore from this property and do not have any blocked out ore reserves.

(c) The region is one of severe fracturing and faulting and this is particularly true of the Blackhawk property which is located in the intersection zone of the Bonita Fault with the Toltec Fault. These two faults intersect at Emery Peak and the portal of the Blackhawk Tunnel is approximately 1,800' to 2,200' to the west of the Peak.

The surface formations exposed on the property are all Tertiary volcanics. However the canyons leading to the lower country expose Mesozoic and Paleozoic sedimentaries and Pre-Cambrian metamorphics.

The surface volcanics exposed on the property have been classified by the U.S.G.S. as Latite. They consist of intrusives, and flows with some tuff and breccia. Latite in composition is the same as Monzonite but is very fine grained indicating quick cooling. Some Quartz-Latite was observed.

In following the outcropping east up the draw from the portal of the Blackhawk Tunnel float was found of Birdseye Andesite Phorphyry. This was found in the bottom of the draw and never far up the sides. No exposures were encountered which indicates that it probably is a dyke parallel and close to the Vein. If this is the case it is another very favorable geological factor indicating ore possibilities in this Vein on a major scale. This is a rather ideal geologic setting and its possibilities should be checked when drifting east on the vein by x-cutting first south (right) and then north (left) to see if this dyke can be found. There is a chance for contact ore along the dyke which must not be overlooked. The x-cut to the south (right) should go about 50' and the one to the north (left) about 30'.

In view of the favorable geology and surface outcroppings we wish to further explore the property by drifting as indicated on the enclose d map, marked exhibit "A". We are presently driving on this drift and plan on continuing while this application is being processed at our own expense.

(d) The Mine is located approximately 9 miles north of Silverton on the Gladstone-Silverton County road. Milling facilities are available at Silverton, Colorado and most mining supplies are also available there.

(e) Presently their is plenty of available manpower, materials, supplies, etc. in Silverton, Colorado. Their is adequate water in the immediate vicinity of the Mine suitable for camp use and mining purposes. Electric power will be available if needed at a later date. We have available the needed equipment to carry on the exploration project.

Silver Bay Mines, Inc.
1787 Blaine Ave.
Salt Lake City, Utah

5. The exploration project:
   (a) We wish to explore for Lead & Zinc.

   (b) We wish to continue our present drifting easterly as projected on the accompaning map, marked exhibit "A", for a distance of approximately 2,000' to locate the junction of the vein with the Bonita Fault near Emery Peak. We also wish to drift a short distance to the right and left of the main drift as projected on the map at two different locations when favorable structures are encountered totaling approximately 160', more or less.

   (c) The work has already commenced and we would like to have an inspection of the property at as early a date as possible as later on the property will be inassessable due to snow conditions. The project can be completed within 30 months from the date of an exploration projedt contract.

   (d) The applicant is capable of carring out the exploration project and has had similar experience under a previous contract I-DMA-E26. Mr. C. V. Liljenquist will supervise the operations.

6. Estimate of Costs: The estimated cost of the project is $ 92,655.20, See attached detail:

		Ft. Unit Cost
(a)	Drifting contract (See exhibit "C")	$ 30.00/ft.
(b)	Geological & Engineering work	.50/ft.
(c)	3" Black Pipe (air line) including couplings and freight on same	1.01/ft.
	3/4" galvanized pipe (water line) including couplings and freight on same	.21/ft.
	12" Vent Tubing (acid resistant) incl. frt.	1.39/ft.
	Rail ties (wood)	.75/ft.
	20 lb. rail, including splices, bolts & frt.	1.67/ft.
	Miscellaneous fittings, etc.	.17/ft.

(d) Compressor costs:

Monthly rental fee for 315 cfm.	$364.00
Fuel & Oil, monthly	195.00
Maintenance & repairs	30.00
Total	$589.00

$589.00 divided by 125' monthly advance equal 4.71/ft.

Monthly depreciation on 4 mine cars, 1 mucking machine & 1 air trammer	$ 92.71
Maintenance & repair on same monthly	45.00
Total	$137.71

Continued

Silver Bay Mines, Inc.
1787 Blaine Ave.
Salt Lake City, Utah

$137.71 divided by 125' monthly adv. equal 1.10/ft.

(e) None

(f) None

(g) Assaying of samples (approx. 110 determinatios) .04/ft.
Accounting .42/ft.

(h) None
Total unit cost per ft. of drifting $ 41.97/ft.

2,160' drifting(more or less) @$41.97/ft. equal $90,655.20

****

Timbering costs:

Contract Labor for timbering when nedessary 5.00/ft.
(See contract marked exhibit "C")

Timber used in timbering drift 5.00/ft.
Total timbering costs per ft. 10.00/ft.

200' timbering (when necessary) @ $10.00/ft. equal 2,000.00

Total estimated cost of project . . . . . .$ 92,655.20

7. (a) Yes we are prepared to furnish our share of the cost of the proposed project.

(b) We will furnish the nedessary money to complete the project.

Respectfully submitted,

Silver Bay Mines, Inc.

C. V. Lilienquist

C. V. Lilienquist, Sec'y.-Treas.

Silver Bay Mines, Inc.
1787 Blaine Ave.
Salt Lake City, Utah.
Exhibit "C"

DRIFT CONTRACT

THIS AGREEMENT of August 1, 1956, by and between SILVER BAY MINES, INC. of 1787 Blaine Avenue, Salt Lake City, Utah, a Utah corporation hereinafter called "OPERATOR" and TECH-ER MINING CO. of 206 Uranium Center, Grand Junction, Colorado, a Colorado Corporation, hereinafter called "CONTRACTOR", covers the agreement of the parties for driving underground opening(s) upon the property herein described:

Blackhawk Mine
Eureka Mining District
San Juan County, Colorado
Sec. 21, T.42N., R.7W., N.M.P.M.

1. The Operator agrees to furnish equipment and supplies as described.

a. 315 Schram Compressor

b. Macking machine and air trammer

c. Jackhammer and airleg

d. Ventilation Fan

e. Jeep

f. Supplies:

Rails

Ties

Timber

Air and Water hose

Ventilation tubing

3" pipe (air) with fittings and vitrolic couplings.

g. Repairs on furnished equipment.

2. Contractor shall be paid at the rates hereinafter stated for work performed as described.

a. Thirty-dollars ($30.00) per foot of 6 x 7 drift.

b. Five-dollars ($5.00) per foot for timbering where timber is required for support of the opening.

c. Forty-five dollars ($45.00) per foot for the installation of transfer stations where required.

d. Fifteen dollars ($15.00) per foot for slabbing walls of drift opening where required.

3. CONTRACTOR agrees to furnish the following services and supplies as described.

a. Labor for maintenance of OPERATOR'S equipment

b. Powder, caps and fuse.

c. Steel and bits.

d. Diesel fuel, gas and oil for equipment.

e. Drift labor for -
(1) Drilling, blasting, mucking and tramming.
(2) Laying of air and water lines.
(3) Installation of track and vent lines.

4. CONTRACTOR will furnish OPERATOR a semi-monthly statement for work performed and OPERATOR agrees to reimburse the CONTRACTOR for sum of statement within five (5) days following receipt of said statement.

5. Both parties agree to termination of contract upon receipt of notice in writing 10 days prior to termination date after completion of a minimum of 100 ft. of drift opening.

6. CONTRACTOR agrees to save OPERATOR free and harmless of and from all claims, demands, actions, and damages arising from or in any way connected with Contractor's work and also agrees to maintain at all times adequate Workmen's Compensation and Employment Liability Insurance while performing work on the afore described property.

7. CONTRACTOR shall not be liable for damages due to disaster or Acts of God.

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

SILVER BAY MINES, INC.
Operator

/s/ By: C.V. Liljenquist

TECH-SER MINING CO.
Contractor

/s/ By R.T.Brown Jr.

I, C.V. Liljenquist, certify that this is a true and correct copy of the DRIFT CONTRACT between Silver Bay Mines, Inc., and TECH-SER MINING Co. dated August 1, 1986.

C.V. Liljenquist
C.V. Liljenquist.

S. Government Messenger Envelope

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

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

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
[illegible]	RUN / STOP	[illegible]	RUN / STOP
[illegible]	RUN / STOP	[illegible]	RUN / STOP
[illegible]	RUN / STOP	Mr. Martin 3538 Int.	RUN / STOP
[illegible]	RUN / STOP		RUN / STOP
[illegible] Luber Rm. 1226 (GSA)	RUN / STOP		RUN / STOP
[illegible]	RUN / STOP		RUN / STOP
[illegible] Evelyn Bridgeon [illegible] Bldg. Mail Distribution	RUN / STOP		RUN / STOP
[illegible] Mail Room Mr. Mitchell	RUN / STOP		RUN / STOP
[illegible]-205 [illegible] P.O. Bldg.	RUN / STOP		RUN / STOP
[illegible] GSA	RUN / STOP		RUN / STOP

urplus envelopes to room for reissue.

Use other side

16—38949a-2

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

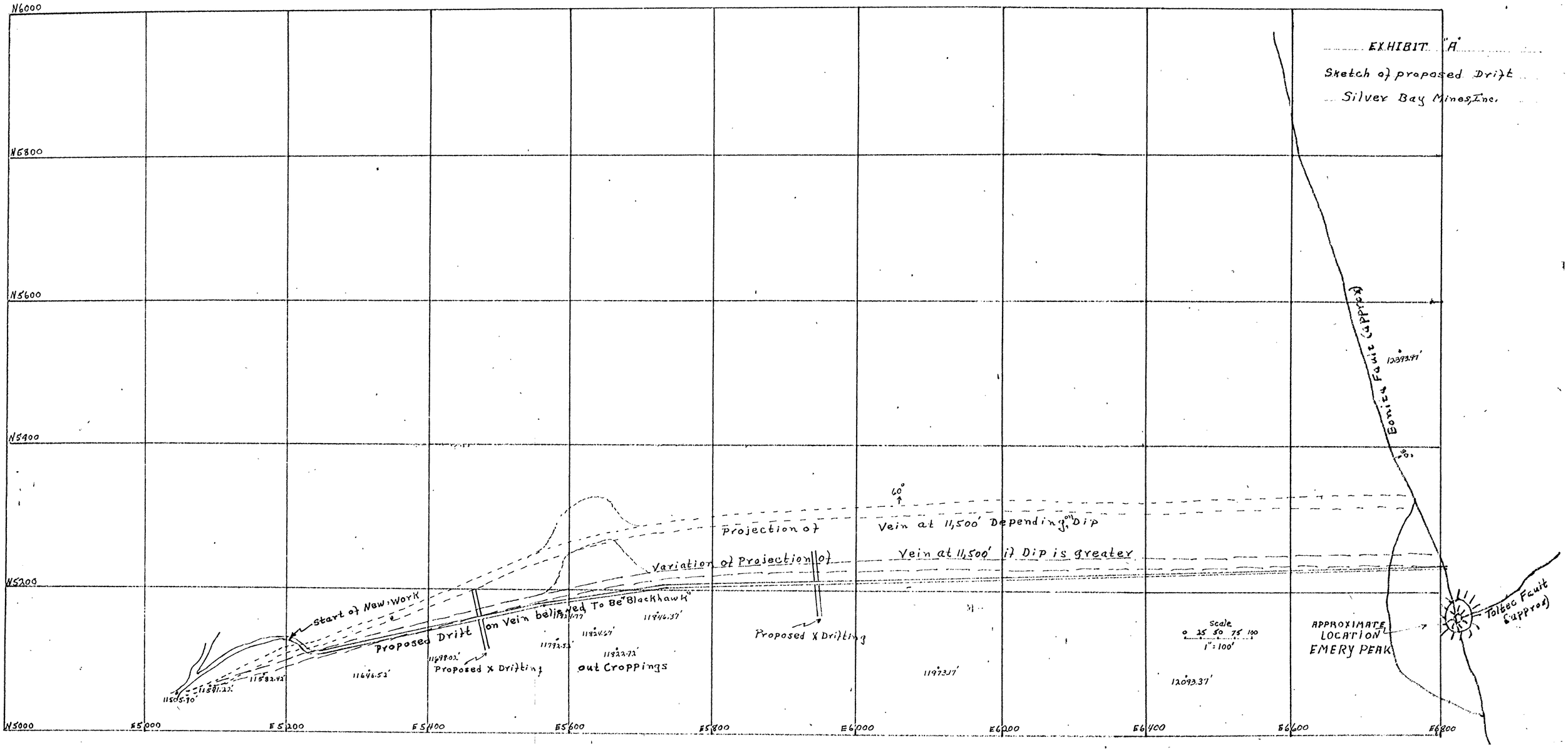
EXHIBIT "A"
Sketch of proposed Drift
Silver Bay Mines, Inc.
N6000
N5800
N5600
N5400
N5200
N5000
E5000
E5200
E5400
E5600
E5800
E6000
E6200
E6400
E6600
E6800
Start of New Work
Proposed Drift
on Vein believed To Be "Blackhawk"
Proposed X Drifting
out Croppings
Proposed X Drifting
Projection of
Variation of Projection of
60°
Vein at 11,500' Depending on Dip
Vein at 11,500' if Dip is greater
Eureka Fault (approx)
Tolbec Fault (approx)
APPROXIMATE LOCATION EMERY PEAK
Scale
0 25 50 75 100
1" = 100'
11505.70'
11581.22'
11582.42'
11646.52'
11698.02'
11773.52'
11824.67'
11822.72'
11846.37'
11973.17'
12093.37'
12393.41'

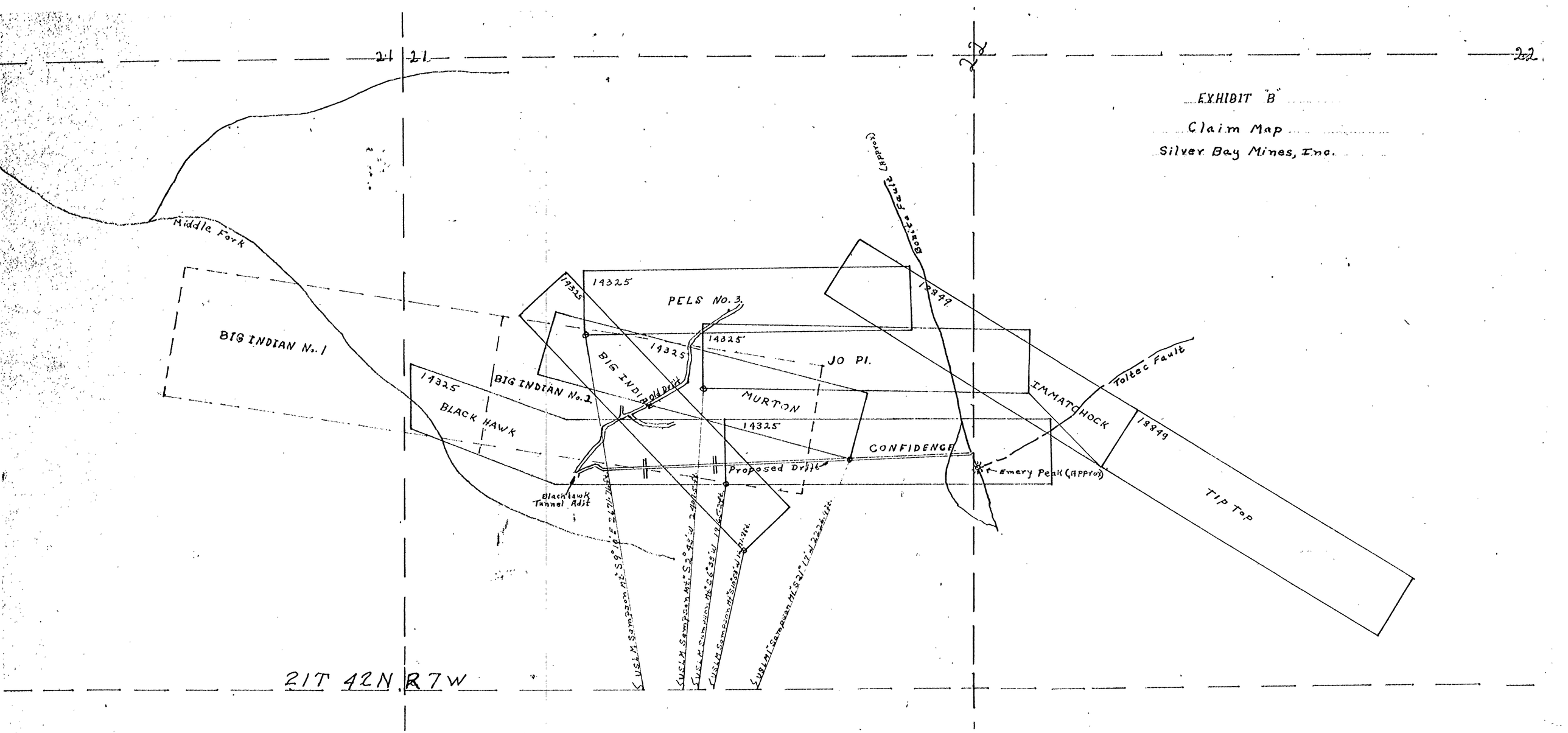
EXHIBIT "B"
Claim Map
Silver Bay Mines, Inc.
21
22
Middle Fork
BIG INDIAN No. 1
BIG INDIAN No. 2
BLACK HAWK
14325
PELS No. 3
BIG INDIAN Old Drift
JO PI.
MURTON
CONFIDENCE
IMMATCHOCK
Toltec Fault
Boxie's Fault (Approx)
Proposed Drift
Emery Peak (Approx)
Black Hawk Tunnel Adit
TIP TOP
21T 42N R7W