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DMA Docket No. IMEA-2806

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To:	Code 400 Rm 3538	Date	12/10/52
To:	Open Com	Date	3-20-53
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To:	Open Com	Date	7-22-53
To:	Code 400	Date	7-23-53
To:	Code 400 Rm 3538	Date	9-9-53
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INT.-DUP. SEC., WASH., D.C. 98868

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

WSMartin
Rewritten by

JAN 14 1954

Mr. Kenneth J. Delander
Delander, Espedal & Clark
Dexter Horton Building
Seattle 4, Washington

Re: Docket No. [illegible]-2[illegible]5 (Tungsten)
Alaska-California Gold Mines Company
Norris Lode Mine
Valley County, Idaho

Dear Mr. Delander:

Your letter of January 7, 1954, requested that the subject application be kept in an active status until you have had an opportunity to obtain owner's consents to film from property owners now abroad, and other data which we have requested.

As we could not continue processing the application without this data, the application was placed in an inactive file on December 24, 1953. However, if this data reaches us within a reasonable time, we could reinstate the new application to an active status.

Sincerely yours,

WSMartin/HCRubin/cma 1-13-54
cc: Mails & Files
Adm. R. File
C. C. Mittendorf
Cp. Comm.
Field Team - Reg. II (2)
W. S. Martin
H. C. Rubin
J. L. Hoffland
Chron. Pending

Approved
Administrator

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

Rewritten H.C. Rubin jerro 1-13-54

Mr. Kenneth J. Selander
Selander, Espedal & Clark
Dexter Horton Building
Seattle 4, Washington

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selander:

Your letter of January 7, 1954, ~~asks~~ requested that the subject application be kept in an ~~open file~~ active status until you have had an opportunity to obtain Owner's Consent to Lien ~~forms~~ from property ~~holders~~ owners now abroad, and other data which we have requested.

~~Because~~ As we could not continue ~~to~~ process ~~the~~ ~~above~~ application ~~in the absence of certain~~ without this data, ~~that we had previously requested,~~ the ~~docket was transferred to our~~ application was closed in our inactive file on December 24, 1953. ~~The same docket could be reinstated,~~ However, if the ~~requested information~~ data reached us within a reasonable time, we could reinstate the same application to an active status.

Sincerely yours,

Administrator

December 31, 1953

MEMORANDUM

To: Mr. Robert T. Adams, Chief
Operations Control and Statistics Division, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Removal of application from the active file
Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue mine
Valley County, Idaho

December 10, 1952 - The subject application was received by DMEA.

December 19, 1952 - The applicant was requested to supply additional and more definite information concerning the mining property and proposed exploration work.

March 2, 1953.- Applicant advised the Field Team that the owner refused to sign an Owner's Consent to Lien. He also asked if purchase price could be included in a loan.

March 10, 1953.- Field Team advised applicant that purchase price could not be included as a cost of exploration. He was given until April 13, 1953, to supply the required information.

April 8, 1953 - Applicant advised the Regional Office that he would call within two weeks to discuss his application.

June 22, 1953 - Applicant was again advised that his application would be considered closed if the requested information was not supplied within 30 days.

July 9, 1953 - Mr. H. C. Van Valkenburgh, a director of the Alabama-California Mines Company, called at the Regional Office. He stated that Owner's Consent to Lien could not be obtained but the Company would purchase the mining property. He promised to submit copies of the purchase agreement during the following week. The Field Team then scheduled a field examination of the property.

August 19, 1953 - The Field Team submitted a field examination report recommending approval of an exploration project greatly reduced from the applicant's original proposal.

September 2, 1953 - The Washington Office, DMEA, advised the applicant that if the promised copies of the sales agreement were not received by October 15, 1953, the docket would be transferred to the inactive file and the matter closed.

September 21, 1953 - Applicant submitted Owner's Consent to Lien.

October 6, 1953 - The applicant was informed that the Owner's Consent to Lien was inadequate.

November 16, 1953 - Applicant was informed that if proper evidence disclosing a sufficient interest in the mining property was not received by December 24, 1953, the referenced docket would be transferred to the inactive file and the matter considered closed.

The applicant has not furnished the required data and the docket is transmitted herewith.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

JHopkins/ls
12/30/53

cc: Docket
Code 400
Adm. Read. File

400

NOV 18 1953

Mr. George O. Nelson, Secretary-Treasurer
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA 2806 - Tungsten
Merry Xmas mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to the above-docketed application for exploration assistance and our letters of September 9 and October 6, 1953, with regard to the ownership of the subject property.

We wish to cooperate fully in the matter of allowing ample time to obtain the necessary documents, but if these data are not received in Washington by December 24, 1953, we will transfer the referenced docket to the inactive files and consider the matter closed.

Sincerely yours,
C. O. Mittendorf

Administrator

FARutledge:foc
11-17-53
cc: Docket
Code 400
Pt. Reg. 2
R. W. Graham, USBM
T.P. Thayer, USGS
Admr. Reading File
Operating Comm.

14w

402

OCT - 6 1953

Mr. George O. Nelson
Secretary-Treasurer
Alabama-California
Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. [illegible]-[illegible] (Tungsten)
Alabama-California Gold Mines Co.
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

This responds to your letter dated September [illegible], 1953, stating that Jerald S. Hile, trustee, is the record owner of three claims for which your company proposes an Exploration Project Contract. An Owner's Consent to Lien, signed by the trustee, covering these three claims, was enclosed with your letter. Your letter also states that the "actual owners of these claims are R. A. Campbell, R. O. Vonfalkenburgh, and C. R. Bordeaux.

This information has been sent to us in response to requests from this office and our Region II Field Office for evidence that your company holds a sufficient interest in the Merry Blue group of claims consisting of eight claims as enumerated in your company's application, for the purposes of an Exploration Project Contract. It was our understanding that the company was acquiring title to the eight claims. Instead, it appears that two directors of the company and a third party have acquired title to three claims, which title is now held in trust for these individuals.

We can only point out once more that it is necessary that the company hold a sufficient interest in the eight claims for the purposes of an Exploration Project Contract. If the company holds its interest in any of these claims under a lease from the trustee, we require a copy of the lease. If the company acquires ownership of the property, we should be informed of this fact. Upon receipt of proper evidence disclosing a sufficient interest in the eight claims, we shall give further consideration to your company's application.

Very truly yours,

Frank E. Johnson

Acting Administrator

HCRubin:ep 10-2-53

Chron.
Pending

Region II (2)
Mr. Martin
Mr. Moffland
Mr. Rubin

Copy to: Mails & Files
Admr. Reading File
Oper. Comm.
Mr. R. W. Geehan, B/M
Mary Miller, USGS

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

September 29, 1953

Mr. George O. Nelson
Secretary-Treasurer
Alabama-California Gold Mines Co.
5507 White Building
Seattle, 1, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to your letter to the Department of the Interior, Defense Minerals Exploration Administration, Washington 25, D. C., of September 22, 1953, with which were attached copies of a Consent to Lien agreement signed by Jerald D. Hile.

You will, undoubtedly, hear from Washington regarding your letter; however, in reviewing the letter together with our file of previous correspondence, we have concluded that the referenced Consent to Lien agreement will not be acceptable to DMEA. We therefore wish to present to you a review of the case as we see it and to suggest certain ways in which the application requirements may be fulfilled.

In examing your DMEA application received at this office on September 15, 1952, we gather that the Merry Blue property, comprised of the Merry Blue, Fourth of July, Rose, and Charley "A", was originally held by Margaret E. Ball who in turn leased the property to R. H. Pfeffer. R. H. Pfeffer subsequently assigned an undivided one-third (1/3) interest in the mining lease and option to F. F. Knight and a one-third (1/3) interest to H. G. Lynch.

The three above-mentioned parties, acting as Vendor, subsequently entered into an indenture and agreement with the Alabama-California Gold Mines Company. More specifically, this agreement was between F. F. Knight and his wife, Gladys D. Knight; H. G. Lynch and his wife, Avis Lynch; R. H. Pfeffer and his wife, Dorothy C. Pfeffer; and R. H. Pfeffer as Executor of the estate of Thelma Pfeffer, deceased, and the Alabama-California Gold Mines Company.

On the assumption that the two above-described lease and option agreements, as attached to your application, are still in effect, the signature of Jerald I. Hile to the Owner's Consent to Lien agreement is not satisfactory as he is not the owner; neither would the signatures of R. W. Campbell, H. C. VanValkenburgh, and C. R. Bordeaux be acceptable for the same reason. If the two referenced lease and option agreements are still in effect, there will need to be Consent to Lien agreements--one signed by Margaret E. Ball to R. H. Pfeffer and one signed by R. H. Pfeffer, P. F. Knight, and H. G. Lynch and their respective wives--and affixed to the second Consent to Lien agreement should probably also be the signature of R. H. Pfeffer as Executor of the estate of Thelma Pfeffer, although we could be mistaken in asking for this latter signature.

If you are unable to obtain the signatures of the aforementioned people to Consent to Lien agreements, you might submit instead a Guaranty signed by an authorized official of the Alabama-California Mines Company which would subject that company to the obligations set forth in the Consent to Lien agreement. Such a Guaranty agreement would have to be approved in Washington before it would be acceptable.

In our previous correspondence of September 2, 1953, we noted that H. C. VanValkenburgh had called at our office on July 9, 1953, and informed us that company officials had been unable to secure Consent to Lien agreements from the owner and were therefore negotiating to gain possession of the property by purchase. For this reason, we asked for a Bill of Sale for this purchase. However, upon reading the lease and option agreement attached to your application, it would seem that such a purchase, to serve in lieu of the lease and option agreement, would have to be for cash which might be difficult for your company to negotiate. As we have not received this Bill of Sale and as you have subsequently submitted Consent to Lien agreements, it is assumed that this sale was never consummated. It would therefore seem that the only manner of fulfilling the application requirements would be either to obtain the above-described Consent to Lien agreements or the Guaranty agreement, the latter agreement which of course might not be acceptable.

We are enclosing twelve copies of Consent to Lien agreement together with six copies of a Guaranty agreement which has previously been used. We advise that you obtain signatures to the Consent to Lien agreement, unless of course that you have a Bill of Sale to the property and can show clear title. If you are unable to obtain signatures to the Consent to Lien agreement, you might sign the Guaranty agreement recognizing of course that such an agreement may not be acceptable.

We would appreciate your opinion on the contents of this letter.

Very truly yours,

Thor H. Kiilsgaard
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures /
cc: DMEA(2) USBM(2) Nicholson

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
SEP 8 1953

September 2, 1953

Mr. George O. Nelson
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA-2006 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

This will acknowledge receipt of your letter of September 1 in which you request necessary forms for the completion of the loan application, together with complete instructions. This letter is rather confusing as we do not know what forms you have in mind. We, therefore, wish to review the processing of your application in order to acquaint you with its status.

Your application has been submitted to Washington for further consideration. We have also transmitted to Washington copies of a field examination report on your property, which was made by Mr. Howard B. Nickelson on August 4, 1953. In that report it was noted that before a contract could be negotiated, DMEA should obtain from the applicant copies of a Bill of Sale on the Merry Blue Mine. This Bill of Sale is necessary inasmuch as we had previously been informed that you had been unsuccessful in obtaining a Consent to Lien agreement from the owner. In fact, Mr. H. C. Van Valkenburgh called at our office on July 2, 1953, and informed us that company officials had been unable to secure a Consent to Lien agreement from the owner and, therefore, were negotiating to gain possession of the property by purchase. Furthermore, he stated that the deal had been consummated and that the property had been bought by Alabama-California Gold Mines, Inc. He also stated that during the following week he would send to this office copies of the agreement that would establish the right of the company to the property. To date we have not received copies of this purchase agreement.

In the event the company has not purchased the property and is still unable to obtain signatures on a Consent to Lien agreement, it will be necessary for the company to present some other form of a Guaranty agreement to show their right to the property. This agreement will have to be received before a contract can be negotiated.

The only other information that our records show as having been requested of the applicant is a map of the property claims showing the location of the mine workings on these claims. This map has not been received and will be required if a contract is to be negotiated.

If you have further questions concerning your application, please advise.

Sincerely yours,

Thor H. Kiilsgaard
For: A. H. Weissenborn
Executive Officer DMEA
Field Team, Region II

cc: USBM(2)
DMEA(2)
Nickelson

400

SEP 9 - 1953

Mr. George O. Nelson, Secretary-Treasurer
Alabama-California Gold Mines Company
5907 White Building
Seattle 1, Washington

Re: Docket No. DMEA 2806 - Tungsten
Merry Blue mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to the subject docket and recent conferences between officials of the Alabama-California Gold Mines Company and the DMEA Field Team.

We have been advised that Mr. H. C. Van Valkenburgh, a director of the company, informed our field team on July 9, 1953, that the referenced property had been purchased by your company and that copies of the purchasing agreement would be furnished the Government during the following week. To date these have not been received in Washington.

We wish to cooperate fully in the matter of allowing ample time, but if these data are not received in Washington by October 15, 1953, we will transfer the docket to the inactive files and consider the matter closed.

Sincerely yours,

C. O. Millendorf

Administrator

Copy to: Docket
Field Team, Reg. 2
Adm. Read. File
Code 400
Mary Miller, USGS
E. W. Geehan, USBM

FARutledge/ls
9/8/53

402

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 - 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
No. 157 Howard Street
Spokane 4, Washington

August 27, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

WSM

Re: Docket No. DME-2000 (tungsten)
Alabama-California Gold Mines Co.
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selfridge:

Enclosed are four copies each of memoranda by Howard B. Nickelson, U. S. Geological Survey, and T. S. Howard, U. S. Bureau of Mines, concerning the subject application.

Examiners recommend that a contract be granted the applicant, but that it be greatly reduced from the amount applied for by the applicant.

Attention is directed to that section of Nickelson's report "Competency of the Applicant," in which it is noted that the applicant has been directed to submit a claim map. Also, that the applicant has been unable to secure Consent to Lien Agreements, but that they plan to purchase the property outright and will present a Bill of Sale to this office.

To date, neither the map nor the Bill of Sale has been received. We anticipate no difficulty in obtaining the map; it should be received in the near future. The Bill of Sale, however, is another matter that needs further attention. On July 9, 1953, we were informed by Mr. H. C. VanValkenburgh, a director of the company, that the property had been bought by the applicant and that copies of the purchasing agreement would be sent to this office during the following week. The delay in receiving the Bill of Sale may indicate trouble the applicant is having in obtaining this document and it is therefore recommended that unless the Bill of Sale is received within 30 days, the applicant be notified by the Washington office that either the Bill of Sale or a Guarantee in lieu of a Consent to Lien Agreement is needed, otherwise the application will be placed in the inactive file.

Reviewed by
DMEA OPERATING COMMITTEE
9-9-53
(date)

The Field Team concurs with the examiners and recommends that a contract be granted the applicant. However, a contract should not be drawn until the applicant has clarified the problem concerning property ownership.

By DMEA Field Team, Region II

M. E. Volin, Acting Exec. Officer
(U. S. Bureau of Mines)

Thor H. Kiilsgaard, Acting Member
(U. S. Geological Survey)

Enclosures

cc: USBM (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 - 1953

Memorandum

August 19, 1953

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Field Examination, Docket No. DMEA-2806 (Tungsten)
Alabama-California Gold Mines Company, Merry Blue Mine,
Deadwood District, Valley County, Idaho

INTRODUCTION

The Merry Blue mine was examined on August 4, 1953, by the writer, accompanied by Mr. LeBron, in charge of mining operations; Mr. Selander, lawyer for the company; Mr. Von Valkenburgh and son; and Mr. R. Mullins and son, contract miners. Messrs. LeBron and Von Valkenburgh are company directors.

The new adit for opening the old 6200 level was mapped, the surface and accessible adits were examined, and the exploration proposal discussed with the applicants.

RECOMMENDATION

It is recommended that the application be approved for the exploration of tungsten. The exploration program was discussed by the writer and the applicants during the field examination and has been based, in part, on geological evidence submitted in previous reports.

LOCATION OF THE PROPERTY

The Merry Blue mine is in sec. 22, T. 12 N., R. 7 E., Deadwood Mining District, Valley County, Idaho.

The property can be reached from Cascade, Idaho, by traveling the Cascade-Stibnite road to the Land Mark junction then turning southerly on the Deadwood-Stanley Basin road to a point near the head of the Deadwood Reservoir from where the mine can be reached by turning easterly on a 5-mile road. The mine can also be reached from Stanley via the Deadwood-Stanley Basin road. The distance from the mine to Cascade is about 65 miles.

Reviewed by
DMEA OPERATING COMMITTEE

9-9-53
(date)

CONDITION AND ACCESSIBILITY OF THE ROADS

The road from Cascade to the mine is generally closed from November to June, unless the mining and timbering industries in the area warrant keeping them open. The Cascade-Stibnite road was closed during the winter of 1952 and 1953 because Bradley operations at Stibnite were closed down.

The Deadwood-Stanley Basin road has been greatly improved recently by a lumbering concern who is developing a road network in the area for the purpose of logging a reported 3 million board feet of lumber. It is doubtful if they intend to keep the road open during the winter.

The steep and rough mine road needs repair and improvement, but it is generally adequate for the proposed exploration program.

COMPETENCY OF THE APPLICANT

The applicants are financially competent and have had previous mining ventures in California. Mr. Mullins, mine contractor, is an experienced miner, as evidenced by observations of his recent work.

APPLICANT'S PROPERTY RIGHTS

The property consists of 8 unpatented mining claims, 3 of which have been surveyed for patent. These are as follows:

Fourth of July	Rose
Merry Blue	Charley A. (unsurveyed)

Four new claims have recently been located and are as follows:

Mary Lee	Mary Lee No. 2
Mary Lee No. 1	Mary Lee No. 3

The first group of claims is owned by Mrs. Margaret Ball and is under option to Mr. R. H. Pfeffer, and the last group has been located by Mr. Pfeffer.

A letter was written to Mr. Selander on August 15, 1953, requesting the survey map of the three surveyed claims with the approximate location of the unsurveyed claims sketched on this map.

The applicant holds the claims under lease and option to purchase from Pfeffer and parties. The applicant has not been able to secure a consent to lien agreement from the owners, but informed the writer they were planning to purchase the claims outright. The Bill of Sale of this purchase will be forwarded to this office when the sale is made.

DESCRIPTION OF THE PROPERTY

The surface facilities consist of four log cabins all in need of repair.

The upper mine working is partly accessible, but the reported tungsten occurrence is blocked by caved ground. The old lower adit is completely caved for a distance of approximately 150 feet which was evident by surface slump. The new adit to connect the old lower tunnel has been advanced 87 feet through overburden and decomposed granite. The present face is now in solid granite. The new adit is shown on the map the writer copied from that submitted by John R. Cooper and S. E. Claybaugh, Geologists, U. S. Geological Survey, from their memorandum on the Merry Blue mine.

GEOLOGY AND ORE RESERVES

The geology is described in the Cooper-Claybaugh (U. S. Geological Survey) 6-page Memorandum Report, dated August 21, 1943, and is quoted as follows:

"Geology

The country rock of the deposits is granodiorite. The granodiorite is cut by numerous joints and shear zones striking close to east-west and dipping 70° or more in most instances toward the south. The zones are characterized by shearing and subordinate gouge through thicknesses ranging from a few inches to 8 or 10 feet. The thicker zones generally have a strong zone of movement 1 to 4 feet wide and grade into massive granodiorite on the two sides by progressively wider spaced shear planes. Evidently the east-west shears were the passageway for the ore-forming fluid since all known mineralization is confined to them.

"The mineralization consists of vein quartz with occasional streaks and pockets of fluorite, limonite as pseudomorphs after pyrite, wolframite (?), manganese oxide and scheelite. Scheelite is present in minute amounts only. It is confined to the quartz and occurs in tiny grains which are commonly concentrated along fractures. Wolframite (?) and pseudomorphous limonite are found both in the quartz and in the altered granodiorite of the shear zones. The wolframite (?) is shattered and apparently somewhat decomposed. This makes it difficult to identify with assurance particularly since it is commonly associated with manganese stained quartz and other minerals. Tungsten present in scheelite is not in commercial amounts. Thus the ore is commercial only if the questionable dark mineral is actually wolframite. This is locally abundant but spotty in distribution. In some cases, it is best near small fractures which are oblique to the shear zone as a whole. In other cases there is no apparent reason for the localization.

"There are some post-mineral faults but their importance is not yet clear. The only ones in which the direction of displacement is apparent offset the vein so that the eastern segment is displaced northward a few inches with respect to the western segment. The first vein exposed in the main lower adit ends against a fault striking N. 45° E. and dipping steeply NE. It is possible that the vein encountered near the end of the drift is a part of the same vein offset 100 feet on the northeast fault.

"Reserves

All of the scheelite and most of the wolframite (?) is confined to the shoot exposed for 115 feet near the end of the lower adit. This shoot was developed by the two upper levels and by the shaft. Since the walls of the lower adit are largely lagged and the roof almost wholly lagged, it is impossible to determine the average width of the shoot. Three feet is considered a reasonable estimate. On this basis, 29 tons of ore are present per feet of depth (3 x 115 - 12), or roughly 3500 tons developed by the present workings. Perhaps half of this has been mined already. It is reasonable to suppose that a total of 5000 tons could be developed above the lower adit level, as the vein zone is strong in the face of the lower adit. It is here over four feet wide and has good walls. The richest mineralization to be seen in the workings at present is 10 or 15 feet from the face. A sample across 4.2 feet, taken by me 15 feet from the face of the lower adit contained 1.0 percent WO_3 (determination by USGS chemical laboratory).

"The grade of the ore is more difficult to estimate than the tonnage since so little of the shoot is visible and since there is uncertainty in the recognition of wolframite. The lower adit and the level 46 feet above it were sampled for tungsten by P. H. Miller several years ago and more recently by L. W. Reynolds. The results for the lower adit are indicated on the composite level map. The assaying of Reynolds' samples (higher than Miller's results) was done by Walker and Whyte of New York City and checked closely by Ledoux. It is, therefore, considered reliable. The sampling is less reliable. In fact, it is impossible to sample the mine properly because of roof lagging. Both Miller's and Reynolds' results indicate that the intermediate level (Elev. 6246 on map) contains richer tungsten than the lower. Miller cut 6 samples along 80 feet of the "vein" which averaged 1.45 percent WO_3 over 1 foot plus width. He points out that the mineralization continued into the unsampled walls of the "vein". Reynolds cut two samples averaging over 9 percent WO_3 across nearly 3 feet width. Reynolds' figures are probably too high but it is true that wolframite (?) appears to be abundant locally in the sheared granodiorite beside the quartz veins and this may explain the discrepancy in results. In order to check the tungsten content of the granodiorite and to determine the maximum grade which could be obtained by sorting this material, what appeared to be the richest mineralized granodiorite was selected from about 50 tons of ore piled near the main shaft. This sample contained only 0.01 percent WO_3 (determination by USGS chemical laboratory).

"Proper reserve estimates will have to be postponed until the property is more developed and more adequately sampled. The information now available suggests there may be as much as 5000 tons carrying up to 1 percent WO_3."

Concerning the future outlook for the property, Cooper says: "* * * Since the face of the present tunnel is 135 feet below the surface, every foot driven will develop about 50 tons of potential ore as long as the vein retains its width."

The new adit was mapped. The fault mapped by Cooper was present in the adit face. The ground beyond the fault seemed to be in solid granite which will facilitate proposed crosscutting.

HISTORY AND DEVELOPMENT

Past operation is described in the Cooper-Claybaugh report, and is quoted as follows:

"History

The Merry Blue mine was located by George Wise and Joe Goecke as a gold property about 1900. Since that time, the ownership has changed hands several times. The present owners hold the property on a bond and lease from Mrs. Margaret Ball, of Chicago whose husband, now deceased, had purchased it in 1937. A crude mill was built in 1904, and a five-stamp mill built in 1934 was put in working order in 1937 or 1938. The property is said to have produced $150,000 in gold, most of it by means of an arrastre in the early days of development by Wise and Goecke. Tungsten was not discovered until several years ago.

"Development (and Equipment)

The central showing is developed by a little over 1600 feet of drifts and crosscuts on three adit levels as well as by a shaft 128 feet deep connecting the three levels. There are also a number of other shafts, tunnels and pits on the property. Those near the central showing are shown on the geologic map accompanying this report. All accessible workings on the central showing are also shown on the composite level map. Of all the workings on the property, only the main, lower adit could be used in further development. This is 470 feet long and its face is 135 feet below the surface."

AVAILABILITY OF MAN POWER, MATERIAL AND SUPPLIES

The applicant has experienced difficulty in securing adequate man power for the new adit project. The inaccessible location of the mine during the winter will present man power difficulties because men

will be marooned at the mine for about 7 months except for possible winter plane service off the Deadwood reservoir. The writer tried to discourage the applicant from doing winter exploration work.

Material, supplies, and equipment can be secured from Cascade and Boise, Idaho, a distance of 65 miles and 170 miles, respectively.

Drilling water may be present in the mine; if not, a small stream runs a short distance from the portal.

APPLICANT'S PROPOSAL

The applicant submitted an application asking for $76,800 to $100,000, which is much in excess of that needed for exploration of the property.

The writer and the applicant discussed an exploration program, which was agreeable to them. Mr. Selander also discussed the program with Mr. Weissenborn and Mr. Howard.

The proposed exploration project is illustrated on the attached map and consists of the following work:

(1) Assist the applicant in finishing the crosscut from the new adit to the old lower level adit. The present face of the new adit is approximately 170 feet from the desired intersection with the old adit. The applicant is continuing this crosscut at his own expense until a contract is approved at which time the Government will assist in its completion on a unit cost basis.

(2) Rehabilitate the old drift to its face and provide tail space for car and timber storage in the old adit. The rehabilitation distance will be approximately 200 feet which will be done on actual costs.

(3) Drift 350 feet from the face of the old adit along the vein, all on a unit cost basis.

(4) Raise, on a unit cost basis, from a point about 80 feet from the old adit face in the proposed drift to the level above, for a distance not to exceed 55 feet, provided the raises shown on the applicant's map connecting the levels above are caved and do not warrant reopening. It is assumed these raises are caved and would require a greater amount of rehabilitation than the cost of a new raise and for that reason, the rr-foot raise is included. The proposed raise will make one, if not both, of the upper levels accessible for sampling and mapping and no doubt will aid in ventilation. The applicant's sampling data submitted with the application show economical amounts of tungsten in these upper levels.

(5) Allow 50 hours of bulldozing to improve the mine road and for possible snow removal in the spring of 1954.

(6) Allow the cost of assaying 75 samples for gold and tungsten (WO_3) at a cost of $4.00 per sample.

(7) An allowance should be made for consulting service to insure the preparation of a final report.

The amount of drifting on the vein was figured to be 100 feet beyond the downward projection of the east face of the upper level as shown on the vertical section map submitted by the applicant.

The proposed exploration project should prove a sizable block of ore if the samples submitted by the applicant are correct, and if the upper working is made accessible from the proposed raise so mapping and sampling can be done to confirm the ore reserves and possible ore reserves.

OPERATOR'S PROPERTY RIGHTS

The property to be included for royalty payments to the Government should include the complete block of claims listed in the application. When the applicant submits the claim map, any claims not connected to the claims to be explored by the project can be omitted from royalty payment.

EXPLORATION PROJECT

The expected starting date depends on the effective date of the contract; it isn't advisable to begin work after November 1, 1953, due to bad snow and weather conditions. If the contract is not signed before that time, work should not commence before the spring of 1954.

Owing to the inaccessible location of the mine and to the long winters, it will probably take two years to complete the project.

DESCRIPTION OF PROJECT

For description of project, reference is made to the attached memorandum, dated August 14, from T. E. Howard, U. S. Bureau of Mines.

Enclosure (1)

Distribution:
DMEA (Orig. & 3)
USBM (2)
USGS (SRO)
Docket
Nicholson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 14, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: Thomas E. Howard, Mining Engineer

Subject: Docket No. DMEA 2806 (tungsten) Alabama-California Gold Mines Company, Merry Blue Mine, Valley County, Idaho

Mr. Kenneth J. Selander called at this office August 6, 1953 to discuss the estimated costs of work proposed to explore the Merry Blue Mine in Valley County, Idaho. The proposed project includes:

1. Repair existing road

2. Continue driving new adit to bypass cave in old 6200 adit and connect with old drift about 175 ft. back of the face, approximately 170 feet of a new adit.

3. Rehabilitate old drift from point of connection to face, install track and pipe and enlarge as necessary.

4. Drift 350 feet on vein from face of old drift.

5. Raise approximately 55 feet from drift to intermediate level to gain access to that level for examination and sampling.

The applicant has, or will acquire, all the necessary facilities and equipment for the project and would prefer to do as much of the work as possible on a unit cost basis. However, as the section of drift to be rehabilitated is inaccessible and nothing is known of its condition, it is considered that this work item should be on an actual cost basis.

The estimated costs of the project as discussed with the applicant and indicated in the tabulation below are considered reasonable and in line with costs of similar work on other DMEA projects in the Region with comparable operating conditions.

Unit Costs

(1)	500 feet of drift and crosscut (6-1/2 x 4-1/2 in clear) at $32.50	$16,900.00
(2)	200 feet of timbering in drift and crosscut at $5.00	1,000.00
(3)	55 feet of raising 4x9 cross-section, timbered, 2 compartment at $37.50	2,062.50
	Total Unit Costs	$19,962.50

Actual Costs

(1)	Bulldozing for road repair, 50 hours at $15.00, (including all costs of operation and transportation to and from project)	$ 750.00
(2)	Rehabilitation of old adit, approximately 175 feet	3,500.00
(3)	Assaying, 75 samples at $4.00	300.00
(4)	Freight on samples	100.00
(5)	Consulting services	500.00
	Total Actual Costs	$ 5,150.00
	Grand Total	$25,112.50

cc: Orig. & 3 cys - Wash.
USGS (2)
DMEA
W/D
Engr.

TEH:mp

DMEA-2806

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

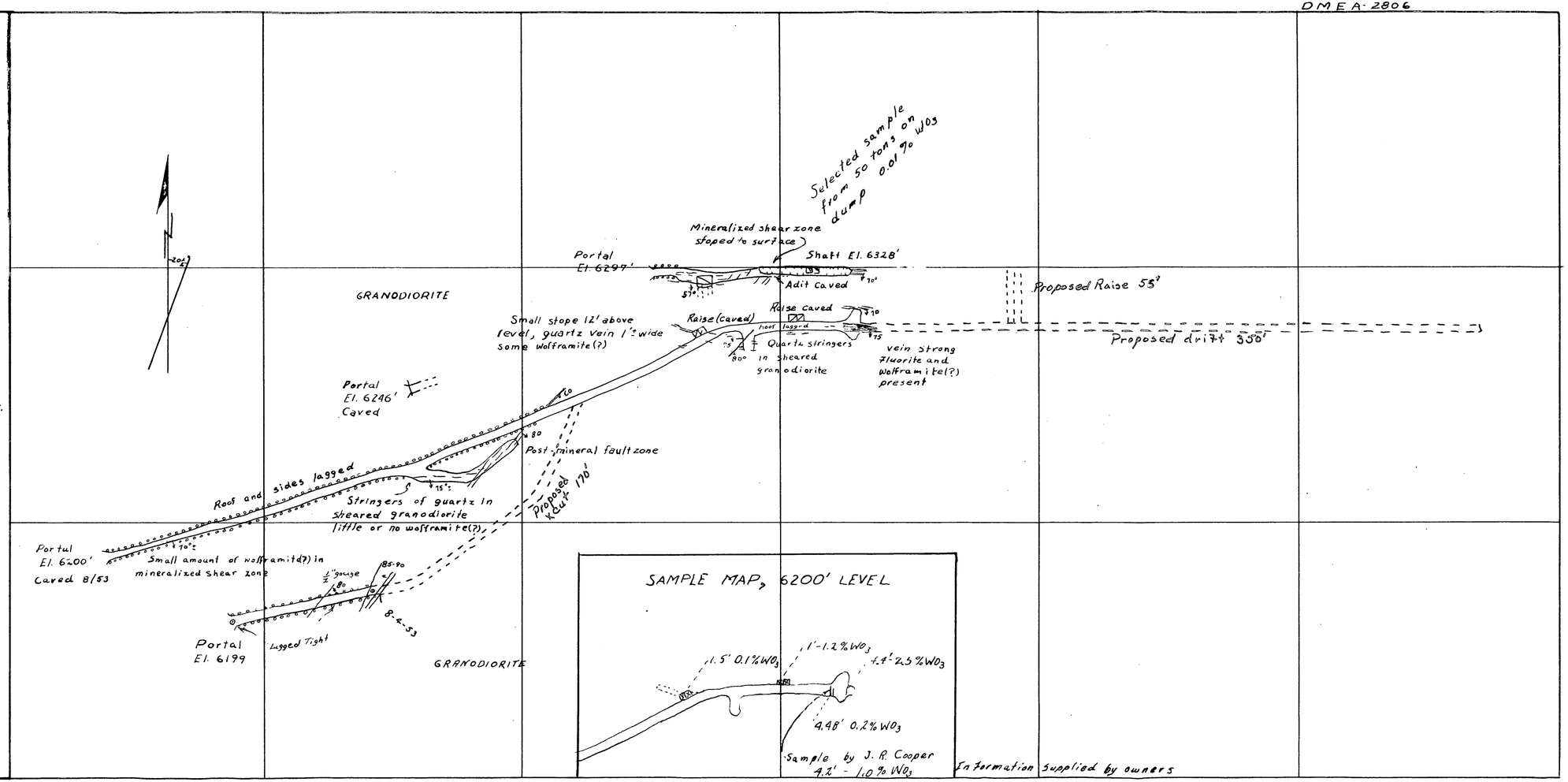
COMPOSITE LEVEL MAP
MERRY BLUE MINE

DEADWOOD DISTRICT
VALLEY COUNTY, IDAHO

JOHN R COOPER and S. E CLABAUGH
AUGUST 21, 1943
AND
H.B. Nickelson Aug 4 1953

SCALE
50 0 50 100 FT.

ELEVATION DATUM ASSUMED



EXPLANATION

SHEAR ZONE

QUARTZ VEIN

Copied by HBN. 8/10/53

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

OFFICIAL BUSINESS

Amea 2806 (WO_3)

400

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

xxxxxxxxxxxxxxxx
No. 157 Howard Street
Spokane 4, Washington

August 13, 1953

Mr. Kenneth J. Selander
Dexter Horton Building
Seattle 4, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Alabama California Gold Mines
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selander:

Could you please furnish a map of the claims listed in the application and the location of the mine workings on these claims. It was noted while studying the application that three claims have been surveyed for patent, and I hope a map can be obtained of this survey. If the other unsurveyed claim locations are approximately known, please sketch them on this map.

This information will no doubt be required by the Washington office.

Please enclose four copies of this map and mail them to this office.

Yours truly,

Howard B. Nickelson
For: Thor H. Killagsard
Acting Executive Officer
DMEA Field Team, Region II

cc: USBM (2)
DMEA (2)
Nickelson

Copy retained

JUL 23 1953

400

Mr. [illegible] Weissenborn, Executive Officer
DMEA Field Team, Region II
Post Office Box 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 2 [illegible] - Tungsten
Alabama-California Gold Mines Company
Cherry Blossom Mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject docket and your letter of July 9, 1953, which states that a field examination will be made as soon as possible.

We will, therefore, hold this application in abeyance until the report and recommendations by the Field Team are received.

Two copies of a memorandum dated Dec. 15, 1952, prepared by [illegible] L. Crittenden, U. S. Geological Survey, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures:
FARutledge/jh
7/20/53
cc. to: Docket
Adm. Reading File
Code 400 (2)
Oper. Comm.
Messrs. D. M. Lemmon, USGS
E. W. Geehan, USBM
DMEA Field Team, Region II

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

400

JUL 23 1953

Mr. George [illegible]
Secretary-Treasurer
[illegible]-California Gold Mines Company
5507 [illegible] Building
Seattle [illegible], Washington

Re: Docket No. [illegible] 2 06 - Suspension
[illegible]-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. [illegible]:

Reference is made to the above-docketed application for amortization assistance which was been received by the Interior Petroleum Reserves Division of the Defense Minerals Administration and referred to Mr. [illegible] Weisgerber, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, [illegible], Washington, for a field examination of the Merry Blue Mine.

The Regional Office will contact you at an early date with regard to an examination of your property. Any assistance that you can render the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

FARutledge/jh
7/20/53
cc. to: Docket
Adm. Reading File
Code 400 (2)
Oper. Comm.
Messrs. D. M. Lemmon, USGS
R. [illegible]. Geehan, USBM
DMEA Field Team, Region II, (2)

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
S. 157 Howard Street
Spokane 4, Washington

July 9, 1953

Mr. George Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Doc[illegible] No. DMEA-2806 (Tungsten)
Alabama-California Gold Mines Co.
Merryblue Mine
Valley County, Idaho

Dear Mr. Selfridge:

You will recall that in accordance with your letter of June 19, on June 22 we wrote the Alabama-California Gold Mines Company pointing out that we had no word from them concerning their application and that if we did not hear within 30 days, we would consider the application closed. This morning Mr. H. C. Van Valkenburgh, a director of the company, called at my office to discuss the application. He informed me that the reason we had not heard was that they had been unable to get consent to lien agreements from the owner, and they have been negotiating to gain possession of the property. He further informed me that this deal has now been consummated and that the property has now been bought by Alabama-California Gold Mines, Inc. He stated that next week he would send me copies of the agreement that would establish the right of the company to the property.

He further said that rehabilitation of the tunnel has been actively in progress, but inasmuch as he was not a technical man, he was unable to inform me just exactly what had been accomplished to date. I would infer that the rehabilitation is still going on.

A report in our files by John Cooper of the U. S. Geological Survey indicates that the property has some merit. We, therefore, will consider the application reactivated and will plan to make a field examination as soon as possible. I now believe that a field examination is essential in spite of the information available in Cooper's report in order to check on the company's plans and to see at first hand how much of the rehabilitation has been accomplished and how much it will cost to complete, as well as having a general look at the area.

Sincerely yours

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
Nickelson

Copy retained 400

400

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 26 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
[illegible]
[illegible]

June 22, 1953

WSM

Mr. George [illegible] Nelson
Secretary-Treasurer
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Project No. [illegible]-2806 (Tungsten)
Stony Creek Mine
Valley County, Idaho

Dear Mr. Nelson:

Although your letter of April 29, 1953, states that Mr. Kurt Lehman and Mr. [illegible] were to contact me during the week of May 11, no meeting has yet been held to discuss processing your application for DMA assistance. We have never received the information requested from you in our letter of February 16, 1953.

If we do not hear from you within thirty days concerning your plans at the Stony Creek Mine, we will consider your application closed.

July 22nd
[illegible]

Sincerely yours,

A. [illegible] Weissenborn
Executive Officer, [illegible]
Field Team, Region II

cc: [illegible] (2)
[illegible] (2)
Moffett

[illegible]

Region II
DMEA 2806
Alabama - California
Gold Mining Company
Mary Blue Mine

May Filed
exam pending

r 400

JUN 18 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Co.
Merry Blue Mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject project reported in the May progress report from Region II as "awaiting word from applicant."

It would be appreciated if you would inform us of the present status of this docket. Unless the applicants have been in to see you and discussed the case as promised in their letter of April 5, 1953, or have otherwise given you word about their intentions, you should notify the applicants that the case will be closed in 30 days if the requested information is not received.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

FAHutledge:foc
6-16-53

cc: Docket
Code 400
Operating Comm.
Adm. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS
FT. REG. II

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

April 23, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selfridge:

Reference is made to your letter of March 23, 1953, regarding the above-captioned application.

We are enclosing two copies of a letter received from the subject applicant dated April 8, 1953, which, we believe, is self-explanatory.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
Nickelson

Copy retained 40

ALABAMA - CALIFORNIA
GOLD MINES COMPANY

5507 White Bldg.
SEATTLE 1, WASHINGTON

File
Cc
DMEA
SBH

April 8 1953

United States Department of Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 1, Washington.

Gentlemen: Re: Docket No. DMEA-2806 (Tungsten) Merry Blue Mine
Valley County, Idaho.

Attention, Mr. A. E. Weissenborn, Executive Officer.

In reply to your letter of March 10th will state that Mr. H. C. VanVulkenburgh has just returned to Seattle after an extended absence and is now taking action to complete the loan application.

Mr. VanVulkenburgh and Mr. Bert LeBron will call on you within two weeks and discuss the matter with you.

Thanking you for the interest taken and assuring you we will process the application as soon as possible, I remain

Very truly,

Secretary-Treasurer.

GON:H

400

MAR 23 1953

Air Mail

Mr. A. E. Weissenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA 2306 - Tungsten
Alabama-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject docket and your letter of March 10, 1953, to Mr. George C. Nelson, Secretary-Treasurer of the above mining company.

We will be unable to transfer the referenced application to the inactive files and close the docket immediately, since your letter gave notice to the applicant that if still interested in exploration assistance, he should reply by April 13, 1953.

Please advise us on April 14, 1953, if no information has been received in order that we may then close this docket.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

cc: Docket
Field Team, Region 2
Code 400
Operating Committee
Admn. Read. File
R. W. Gechan, USBM
D. M. Lemmon, USGS

WSMartin;DARutledge/hhb
3/19/53

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25~~
So. 157 Howard Street
Spokane 4, Washington

March 10, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Re: Docket No. DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selfridge:

Since receiving the application from the Alabama-California Gold Mines Company, we have unsuccessfully tried to get additional information from the company. Inasmuch as we have rather complete information on the property, we could probably process the application without further field examination if we could receive the pertinent information.

As the enclosed copy of the letter of March 2, 1953, from Mr. Nelson, Secretary-Treasurer of the company, will indicate, the company apparently has not wholly made up its mind whether they will go through with the DMEA application or not, partly because they are having difficulty obtaining an Owner's Consent to Lien. I, therefore, believe that this application should be considered inactive and cleared off the books until such time as the company sees fit to revive it.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM(2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 1, Washington

March 10, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Mr. George A. Nelson
Secretary-Treasurer
Plata-California Gold Mines Co.
1507 White Building
Seattle 1, Washington

Re: Contract No. DMEA-4-L (Thurston)
Perry Blue Vein
Valley County, Idaho

Dear Mr. Nelson:

This will acknowledge your letter of March 2, 1953.

In reply, I must advise you that the purchase price of the property cannot be included as a cost of exploration. You imply that there is some doubt the directors of the company will take further action in regard to the loan application. Therefore, if we do not hear from you by April 13, we shall assume that you are no longer interested in obtaining a contract and will consider your application withdrawn. If you wish to have it acted upon, you should furnish us immediately with the information we have requested in my letter of February 11.

With this information, we probably would be able to process the application quickly.

Sincerely yours,

A. A. Chamberlain
Executive Officer,
Field Team, Region

cc: Russell A. Martels
P.O. Box 97
North Idaho City, Idaho

DMEA(2) w/encl. (letter fr. Nelson dated 3/2/53.
DMR(2)
Mickelson

COPY COPY

ALABAMA-CALIFORNIA
GOLD MINES COMPANY
5507 White Building
Seattle 1, Washington

March 2, 1953

United States Department of the Interior,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

Attention: Mr. A. E. Weissenborn
Executive Officer

Gentlemen:

Re: Docket DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho.

Copy of your letter to Mr. Russel M. Bartels, of February 14th, duly received. Mr. Bartels has been furnished certain information and we believe has secured the balance for completing the application for loan. However, I have been in correspondence with the owner of the property from which this company is purchasing it and she refuses to sign a waiver of lien.

The tunnel work stopped last December due to illness of the contractor handling this, before being half finished. Because of the heavy snows no action has been taken to put another crew in there. However, this tunnel will undoubtedly be completed before the roads are opened about July 1st.

It will probably be some time before the Directors of this Company decide as to whether any action should be taken to complete purchase of the property in order to complete the loan application. Will you please advise whether it is possible to include the $20,000 purchase price of this property in a loan application to your Department.

Yours very truly

ALABAMA-CALIFORNIA GOLD MINES COMPANY

/S/ GEORGE O. NELSON
Secretary-Treasurer.

GON:HH

CC Russel M Bartels
P O Box 97
South Sioux City, Neb.

LS

We should watch for a copy of W—'s reply to this

WSG

3/11/53

COPY

COPY

400

DMEA(v)

ALABAMA-CALIFORNIA
GOLD MINES COMPANY
5507 White Building
Seattle 1, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

March 2, 1953

WSM

United States Department of the Interior,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

Attention: Mr. A. E. Weissenborn
Executive Officer

Gentlemen:

Re: Docket DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho.

Copy of your letter to Mr. Russel M. Bartels, of February 14th, duly received. Mr. Bartels has been furnished certain information and we believe has secured the balance for completing the application for loan. However, I have been in correspondence with the owner of the property from which this company is purchasing it and she refuses to sign a waiver of lien.

The tunnel work stopped last December due to illness of the contractor handling this, before being half finished. Because of the heavy snows no action has been taken to put another crew in there. However, this tunnel will undoubtedly be completed before the roads are opened about July 1st.

It will probably be some time before the Directors of this Company decide as to whether any action should be taken to complete purchase of the property in order to complete the loan application. Will you please advise whether it is possible to include the $20,000 purchase price of this property in a loan application to your Department.

Yours very truly

ALABAMA-CALIFORNIA GOLD MINES COMPANY

/s/ GEORGE O. NELSON
Secretary-Treasurer.

GON:HH

CC Russel M Bartels
P O Box 97
South Sioux City, Neb.

400

COPY

From "The Mining and Industrial News", January 1953, Vol. 21, No. 1, Page 3.

DMEA 2806

ALABAMA-CALIFORNIA
IN IDAHO TUNGSTEN

Work was started recently at Merry Blue Tungsten mine in Idaho by Alabama-California Gold Mines Co., of Seattle, Wash., which has acquired control of the property. Annoucement of the purchase was made by David Pryde, president of the company, which operated the Alabama gold mine in Placer county, Calif., prior to World War II.

At the same time, H. C. Van Valkenburgh, chairman of the board of Alabama-California Gold mines, announced that the firm has acquired controlling interest in the Gando Mines of Honshu, Japan. Shipments of ore concentrates are being made from the Japanese property to Seattle.

400 Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

February 14, 1953

Mr. Russel M. Bartels
Alabama-California Gold Mines Company
P. O. Box 97
South Sioux City, Nebraska

Re: Docket DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Bartels:

We received a copy of a letter dated December 19, 1952, from Mr. George Selfridge to you requesting that you submit certain additional information concerning the Merry Blue Mine in Valley County, Idaho, but as we have heard nothing further, we assume that this information has not yet been sent to Washington.

We have in this office considerable information on the Merry Blue Mine. We may, therefore, be able to make a recommendation of the property without waiting for a field examination which probably cannot be made for another couple of months because of weather conditions. However, to do this we would require the following information.

Under 4(a) "Physical description" you mentioned a crosscut that was 30 percent finished last summer. The crosscut was driven to bypass and shorten a haulageway. Will you please indicate on the map the location and direction of this crosscut, the footage driven to date, and the distance it will have to be driven to intersect the vein or old workings? Is it the same elevation as the lower tunnel? Do you want DMEA aid in completing this crosscut or will it be completed by your company?

On page 5 under "Conclusions and Recommendations" of Mr. Lynch's report he mentions under (5) "Drive a short crosscut south on the Lower Level in the vicinity of the ore shoot." Is this crosscut planned to cut the vein that you suspect lies in the hanging wall of the lower tunnel? Please locate this crosscut, give the approximate length and the reason for crosscutting.

Mr. Lynch recommends driving east on the vein from the lower tunnel. Approximately how far east do you plan on driving?

Copy retained 400
W. S. Martin

Where do you plan on putting the shaft? What size shaft do you plan sinking?

How much drifting do you plan on doing at the bottom of the 125-foot winze or shaft?

Do you own any of the equipment listed under "Equipment" or will it all have to be purchased or rented?

In addition, you should supply the information requested in Mr. Selfridge's letter especially that concerning the book and page number of recording of the Fourth of July, Merry Blue, Rose and Charley A mining claims, and the Owner's Consent to Lien forms which were sent to you by Mr. Selfridge. If you could submit this information, I believe that we would have sufficient data to complete the processing of your application without the necessity of a field examination. In any event, this information would shorten our work considerably even if an examination had to be made.

Sincerely yours,

A. T. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

DMEA (2)
USBM (2)
Nicholson

FEB 12 1953

Mr. Russell A. Bartels
Alabama-California Gold Iron Company
P. O. Box 97
South Sioux City, Nebraska

Re: Docket No. DMA 2306 - Tungsten
Cherry Blue Mine
Valley County, Idaho

Dear Mr. Bartels:

We wrote you on December 19, 1952, requesting further information concerning your application for exploration assistance on the subject property.

As soon as we receive the requested data we will continue with the processing of our application. If you do not desire to proceed with the application will you please advise us as soon as possible.

Sincerely yours,

SIGNED

W. S. Martin, Actg. Chief
Iron and Ferro-Alloy Division

cc: Docket
Field Team, Region 2
Code 400
Admin. Asst. File
A. W. Lechman, [illegible]
D. H. Lawson, [illegible]

TLChapman/hhb
2/11/53

TLChapman:lm
12/19/52

400

cc: Admn. Reading File
Docket
E. V. Geehan, USBM
T. W. Lemmon, USGS
Field Team Reg. II
G. C. Selfridge
T. L. Chapman

DEC 19 1952

Mr. Wessel C. Bartels
Alabama-California Gold Mines Company
P.O. Box 97
South Sioux City, Nebraska

Re: Docket No. DMEA 2806 - Tungsten
Merry Time Mine
Valley County, Idaho

Dear Mr. Bartels:

We are in receipt of your application for exploration assistance on the above-noted project.

In order to continue with the processing of this application, we will need more definite information as follows:

1. Please send us the book and page number of record on the Fourth of July, Merry Time, Home and Charley A mining claims.

2. Send us a sketch showing the location of the new work.

3. In the event, please itemize the costs as outlined in Item 5 of the DMEA-10).

4. What equipment do you have on hand at the present time? If it is owned by the Company, only depreciation is allowed. The allowable rate is one-sixtieth (1/60) of the value for each month in use.

5. A full most on Property Consent to Lien" from the owner, Margaret A. Hall. We are enclosing seven copies of this form. Will you please have the owner sign all these copies and return six copies to us here in Washington.

We are enclosing DMEA Order-1 and our booklet of questions and answers.

Sincerely yours,

George C. Selfridge

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

Enclosures

(400)

IN REPLY REFER TO:

G-MD-CP

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

December 15, 1952

Memorandum

To: G. C. Selfridge

From: M. D. Crittenden

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
15 1952

Subject: DMEA 2806, Tungsten
Alabama-California Gold Mines Company
5507 White Building
Seattle, Washington

The Property

The Merry Blue mine is in S. 22, T. 12 N., R 7 E., Valley County, Idaho. It is controlled by the applicant Corporation, through a lease held by the principals of the company from the owner, Margaret E. Hall.

The Proposal

The applicants propose to spend $76,800 to equip and develop a property known as the Merry Blue mine. This figure includes a camp and mining facilities, as well as the cost of 125 feet of sinking at $200 per foot, and 620 feet of drifting at $20 per foot. The engineering report that accompanys the docket indicates that they expect to

1. Bull-doze road from highway to mine.
2. Bull-doze Lower Level portal open.
3. Make surface cuts to count for assessment work and prospect for parrallel veins.
4. Install compressor and equipment.
5. Drive short cross cut south on Lower Level in vicinity of ore shoot.
6. Drift east on Lower Level.
7. Sink winz or shaft 125 feet deep.
8. Drive Level at 125 feet in winz or shaft.

Source of Information

The deposit was examined and sampled by J. R. Cooper and

S. E. Clabaugh of the Geological Survey in August 1943. At that time the lower level had been reopened by the operators, but other workings were inaccessible. The following summary of the geology and ore deposit is based on information reported by Cooper and Clabaugh.

Development

In 1943, the property was developed by a little over 1,000 feet of drifts and crosscuts on three adit levels, and by a shaft 128 feet deep connecting the three levels. Only the lower level was accessible then; and has caved again since. The applicant reports that work has begun on a new adit to provide access to the ore on the lower level, but it was only 30 percent complete. Since the maps do not indicate the location or the length of the work involved, this doesn't necessarily mean much. Information on this work should be provided by the applicant.

Geology

The deposit is in a series of shear zones in granodiorite that strike east and dip south 70 degrees or more. Mineralization in the shears consists of vein quartz with occasional streaks and pockets of fluorite, limonite (after pyrite), wolframite, manganese oxide, and minute amounts of scheelite. Scheelite is confined to the quartz, wolframite occurs both in the quartz and in the altered granodiorite of the adjoining shear zone.

One ore shoot is exposed for a distance of 115 feet near the end of the lower adit. Though the back is logged, it is estimated that the average thickness of the vein is 3 feet, and on this basis, 29 tons of ore would be present per foot of depth, or roughly 3500 tons development by the present workings. Perhaps half of this has been mined, thus there are inferred reserves of 1500 to 1700 tons in present workings. Additional ore might be revealed by extending the lower adit, and below the lower level.

The grade was difficult to estimate because of the timbering. Company samples 1 to 4 feet in length showed .1 to 2.5 percent WO_3 near the face of the lower adit. A sample of 4.2 feet there taken and assayed by the Survey ran 1.0 percent WO_3. On the basis of this, and other samples by the company, Cooper estimated the grade of the 5000 tons to be about 1.0 percent WO_3. No assays were run for gold.

Comment

Inasmuch as the old workings are no longer accessible, and the work recently begun has not yet reached the vein, there is nothing

to be gained by a field referral at this time. The exploration proposed is too indefinite and should undoubtedly be set up in two or more stages, beginning first on the already existing level, then extending deeper if results warrant. Similarly, costs are unrealistic and not designed for exploration. If operation actually is already under way on a new adit, the cost of exploration should be materially reduced by using existing equipment on a rental basis.

Recommendation

The applicant should be requested to submit a realistic and specific exploration program, including a breakdown of cost. The first objective should be to reopen the lower level and do an adequate sampling job on the ore shoot partly exposed in 1943. If the applicants' cost estimates are reasonable (say $5,000 to $10,000), I would recommend approval, assuming the field team finds that the proposal is feasible and the applicant is competent.

More extensive exploration should depend on the result of this preliminary step.

M. D. Crittenden

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1952

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. dmca-2806
Metal or Mineral
Date Received 12/10/52
Estimated Cost
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: See Attached

Alabama-California Gold Mines Company

(*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

See Attached

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

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

(*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

(*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 See Attached

(*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 ..... days and be completed within ..... 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 f the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the b of his knowledge and belief.

Dated December 8, 1952

Alabama-California Gold Mines Company
(Applicant)

By Russell W. Bartels
Russell W. Bartels

Agent and Attorney

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 1

1. Name of Applicant:

(a). Alabama - California Gold Mines Company
5507 White Building
Seattle 1, Washington

(b). It is a corporation, incurporated under the laws of the State of Washington.

(c). The Officers and Directors are as follows:

President	-	David E. Pryde Hoquiam, Washington
Secretary-Treasurer	-	George O. Nelson 5507 White Building Seattle, Washington
Vice-President	-	L. E. McKendry 24 California Street San Francisco, California
Director	-	Ray Bordeaux Olympia, Washington
Director	-	H. C. Van Valkenburgh 2001 - 28th Street West Seattle, Washington

Alabama - California Gold Mines Co.
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City,
Nebraska

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 3

3. Applicant's Property Rights:

(a). Location to be explored is in

Section 22, Township 12 North, Range 7 East, Boise Meridian. It is 1 1/2 miles east of the Deadwood Reservoir. See attached contract.

(b). This property is known as the Merry Blue Mine.

It consists of 8 unpatented mining claims, 3 of which have been surveyed for patent. They are: Fourth of July, Merry Blue, and Rose surveyed and Charley A, unsurveyed. Four new claims have just been located and are as follows:

"Mary Lee", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, Under No. 43307 in Book 13 of Quartz Location Notices at page 241, and by this reference made a part hereof; and

"Mary Lee No. 1", the location notice of which was recorded in the office of the county recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43308 in Book 13 of Quartz Location Notices, at Page 242, and by this reference made a part hereof; and

"Mary Lee No. 2", the location notice of which was recorded in the office of the county recorder of Valley County, State of Idaho, on the September 7, 1951, under No. 43309 in Book 13 of Quartz Location Notices, at Page 243, and by this reference made a part hereof; and

"Mary Lee No. 3", the location notice of which was recorded in the office of the county recorder of Valley county, State of Idaho, on September 7, 1951, under No. 43310 in Book 13 of Quartz Location Notices, at Page 244, and by this reference made a part hereof;

Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City,
Nebraska

Instruction 3 Continued

(c). The interest of Alabama- California Gold Mines Company is that of purchaser under contract.

(d). A copy of the contract is attached.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 4

4. Physical description:

(a). Due to the fact that the portal and a portion of the tunnel had caved down, it was concluded that this property could be reopened more economically by starting at a point closer to the anticipated ore and driving a new tunnel. Accordingly, in October, 1952, Alabama-California Gold Mines Company entered into a contract to have the proposed tunnel driven and placed a crew on this property under said contract. This tunnel is now about 30% complete. All operations on the property are in the sole interest of applicant, Alabama-California Gold Mines Company.

There is a good road from Cascade to Stibnite, which is kept open throughout the year. From a point named landmark, there is a good forrest road to the Merry Blue Mine, a distance of about 20 miles. Whether or not this road is open depends upon snowfall and local conditions. Airplanes can be used between Cascade and the Merry Blue, as landings can be made with skies on the Deadwood Reservoir in winter and with floats in summer. The mine is 1 1/2 miles east of the Upper End of this Reservoir.

(b). In the past this mine has been operated entirely as a Gold Mine. It is reported, that over $90,000.00 in gold was taken out of the property. No information is available as to ore reserves. The best information available is shown in the sampling chart attached to this application.

(c). Geologic features, mineralization, etc. is best shown by the geologic engineering report hereto attached and incorporated into this application.

(d). Facts to the accessibility are shown in the attached engineer's report.

(e). The Availability of manpower, materials, supplies, equipment, water, etc. are best shown in the engineering report.

Alabama - California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City, Nebraska

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 5

5. The Exploration Project:

(a). It is proposed to explore this property for Tungsten.

(b). As shown by the foregoing geological report, map, and sampling done on this property there is reason to believe that there is a substantial body of tungsten producing ore on this property.

(c). The work has already started on this property, having been commenced in October 1952, and will be completed within seven months of the date of an exploration project contract.

(d). The applicant for many years operated the Alabama-California Gold Mine at Auburn, Oregon. Many of the same officers and directors who operated and successfully carried on the Gold Mining operations are still associated with the company. While he is not currently an officer of the company, Mr. P. F. Knight of Tacoma, Washington who has had extensive mining experience will participate in the supervision of this project. The services of H. Grattan Lynch, Geologist and Mining Engineer will be used as a consultant. Mr. Lynch is a widely and well-known mining engineer.

Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City
Nebraska

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 6

6. Estimate of Costs:

The following is a detailed estimate of the costs of the proposed project:

EQUIPMENT

Diesel Electric Plant	$ 4000.00	
Compressor	8000.00	
Truck	1800.00	
Pick up Truck	1800.00	
3 Drills	1500.00	
Hose, Drill steel, bits	1000.00	
Hoist	1800.00	
Air Locomotive for tramming	1800.00	
Slusher for mucking	2000.00	
Rail and pipe	3000.00	
Mine cars	500.00	
Mine buckets	100.00	
Shop and tools	1000.00	
Sinker pump	600.00	
Camp and equipment	5000.00	$ 33,900.00

DEVELOPEMENT AND WORK

Preliminary work and bull-dozing	2500.00	
Sink 125 feet at $200.00 per ft.	25000.00	
Drift 620 feet at $20.00	12400.00	
Overhead, supervision, accounting.	3000.00	$ 42,900.00
Total		$ 76,800.00

Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City,
Nebraska

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 7

7. Alabama-California Gold Mines Company has sufficient cash on hand to furnish its share of the costs of the proposed project and proposes to furnish its share of the costs in money.

Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City
Nebraska

COPY

H. GRATTAN LYNCH
Geologist & Mining Engineer

2790 Bayside Walk
San Diego, California

P.O. Box 841
Nogales, Arizona

September 7, 1951

MERRY BLUE MINE

Valley County, Idaho

This report is based on an examination that I made in 1942, and a study of a report and sampling done by Benoni Lockwood, Jr. while working under my direction in 1937. At the time of my visit the mine was caved but it was open when Lockwood made his examination.

SUMMARY: The Merry Blue Mine is located in the central part of Idaho which is productive of Tungsten and Gold. Operating conditions are difficult due to snow, but they are not impossible as is evidenced by the successful operations in the same area by the Bradley Mining Company at Stibnite, and the How Sound Company at Forney, Idaho.

Narrow veins of gold-and tungsten-bearing guartz cut thru granite. Several are present but one has been opened by tunnels and a raise. Samples indicate that the ore will run about 0.60% WO3 and 1.25 ounces gold per ton. At the present time this has a gross value of about $81.00 per ton.

The expenditure of $76,000.00 will equip the property and develop it to a point where a decision to build a 50 ton mill can be made.

This is one of the better mining prospects. The ore is of good grade and can be mined at a nice profit. The expenditure of money to develop the property is recommended.

LOCATION: The Merry Blue Mine is situated in the Deadwood Mining District, Valley County, Idaho, about 48 miles by road in a southeasterly direction from Cascade, a railroad station, and 58 miles southerly from Stibnite, Idaho.

More specifically it is located in Section 22, Township 12 North, Range 7 East, Boise Meridian. It is 1 ½ miles east of the upper end of the Deadwood Reservoir.

PROPERTY: The property consists of 8 unpatented mining claims, 3 of which have been surveyed for patent. They are: Fourth of July, Merry Blue and Rose which are surveyed, and Charley A. which is unsurveyed. Four new claims have just been located mentioned as follows: Mary Lee, Mary Lee No. 1, Mary Lee No. 2 and Mary Lee No. 3. The first mentioned four claims are owned by Mrs. Margaret Ball and are under option to Mr. R. H. Pfeffer. The last four have been located by him.

HISTORY: The mine was operated in the 1920's by A Mr. McMillian and partner as a gold mine. They are said to have removed $90,000.00. Mrs. Margaret Ball's husband acquired the mine in 1930 and worked it for one year. He died in 1931 leaving the property to Mrs. Margaret Ball, who has kept up the assessment work and done a small amount of high grading ever since. There are no authentic records of the production.

In 1936 an engineer from Boise named P. H. Miller examined the mine and sampled it for gold. While sampling he recognized the presence of tungsten and had a composite sample run and this returned 1.85% WO3.

In 1937 Mr. Benoni Lockwood, Jr. was drilling some placer in that vicinity. The Merry Blue was brought to his attention by Judge J. B. Eldridge who had a copy of P. H. Miller's map and assays. Lockwood examined and sampled the mine but because it was then very late in the fall, the future of the tungsten market was uncertain and we were pretty well occupied in developing anothermine, the property was not acquired.

The mine was optioned late in 1942 by L. W. Reynolds, a promoter, who after raising enough money to build a road to the mine, put up one camp building and open the tunel, folded up.

Because of the present prices of tungsten and the government guarantee for a future price, Mr. Pfeffer and I became interested in the mine, roviewed the reports and Mr. Pfeffer optioned the Merry Blue Group and located additional claims surrounding it.

MINING FACILITIES: Transportation: There is a good road from Cascade to Stibnite which is kept open throughout the year. From a point named Landmark there is a good forest road to the Merry Blue Mine, a distance of 20 miles. This road is not kept open in winter so it would be necessary for anyone operating the Merry Blue to keep the road open from November 1, to June 31.

Airplanes can be used between Cascade and Merry Blue as landings can be made with skis on the Deadwood Reservoir in winter, and with floats in summer.

POWER: During the development period it will be necessary to use either gasoline or diesel power. At the Hall Interstate Mine, now closed, which is 10 miles distant on the Landmark road, is a hydro-electric plant which operated the Hall Interstate Mine which was a 100 ton per day operation. This is available.

TIMBER: There is some good timber on the property and there are several lumber mills in the vicinity.

WATER: A small stream of water sufficient for domestic and metallurgical purposes crosses the property.

LABOR: Inasmuch as the Bradley Mining Company has a large operation at Stibnite and there are small mines in the Boise Basin there should be a supply of trained miners.

HOUSING: At present there is one good cabin, large enough for a development crew, on the property. At the Hall Interstate Mine is a complete camp which has been turned into a dude ranch but it closes during the winter. Arrangements can probably be made to use it for the winter if necessary, and to truck the crew to the Merry Blue.

CLIMATE: The region is one of short pleasant summers and long winters with heavy snow fall. It is possible to keep roads open and to work during the winter but preparations must be made. Successful year round operations are conducted at Stibnite which is 58 miles north, and at the Howe Sound Company's cobalt mine, Calera, Which is about 100 miles northeast in Lemhi County.

GENERAL GEOLOGY

Deadwood Basin is in the Central Idaho area of granite, gneiss and schist. The underlying rock at the Merry Blue is granite which is rather weathered and soft on the surface. There appear to be several veins which strike roughly east-west and dip from 70 to 75 degrees south. The veins are filled with white quartz, wolframite, ferberite and scheelite. There is very little sulphide in evidence but it may show more at depth. There is some free gold. The veins measure from 1.0 to 4.0 feet in width. Prospecting both on the surface and underground is limited.

WORKING

The mine contains various tunnels and open cuts but the principal workings are three tunnels connected by a raise which formerly continued to the surface but is now caved.

The lower level is 480 feet long. It enters thru soft ground, runs in an easterly direction, encounters a vein at 395 feet, and follows it for a distance of 85 feet. The portal is now caved. There is a sub level 40 feet above the Lower Level. It is 190 feet long and the vein has been stoped for a length of 120 feet along it.

The Upper Level is 360 feet Long. A section 120 feet long has been stoped thru it from the Intermediate Level, and some small stopes have been started further to the east. The portal of this tunnel is also caved.

The mine is equipped with rail and pipe. There is a small compressor but no engine.

The tunnels could be opened in a few days by a bull dozer, as the surface is gently sloping and is decomposed granite.

ORE BODIES AND VALUE

The vein or veins were originally mined for gold. The one stope was 120 feet long by 120 feet high and probably 3 feet wide, and probably contained about 3600 tons which, according to reports, returned $90,000.00 or about $25,00 per ton when the price of gold was $20.67 per ounce. This would mean that the ore averaged about 1.25 ounces per ton.

Miller's map contains 11 gold assays but showed no widths. The numerical average of these assays is $80.40 per ton. If the average width of 1.2 feet obtained by Lockwood is used, and the values reduced to a stoping width of 3.0 feet, the values would be reduced to $32.16, and a recovery of 80% would bring the value to the reported $25.00 per ton.

Miller reported 1.85% WO3 from his composite sample, and Lockwood reported 1.2% WO3 from his 12 samples. This would indicate that Miller's work was well done and can be accepted.

Lockwood did not assay for gold but cut 6 samples on the Upper Level and 6 on the Lower Level which were assayed for tungsten with the following results:

Level	Length of vein sampled	Average width	Assay WO3%
Upper	70 ft.	1.2 ft.	1.45
Lower	100 ft.	2.2 ft.	1.15

There was some doubt in Lockwood's mind that the Upper and Lower Levels were on the same vein. He had a feeling that the vein of the Upper Level would be found in the south wall of the Lower Level. A section thru the workings shows that the Upper Level vein would have to increase in dip considerably to be in the Lower Level and there is a good possibility that it is the south wall of the Lower Level and Nevertheless the vein of the Lower Level contains tungsten ore of commercial value under present prices. The east face is exceptionally promising with assay of 2.5% WO3 across a 4 foot width.

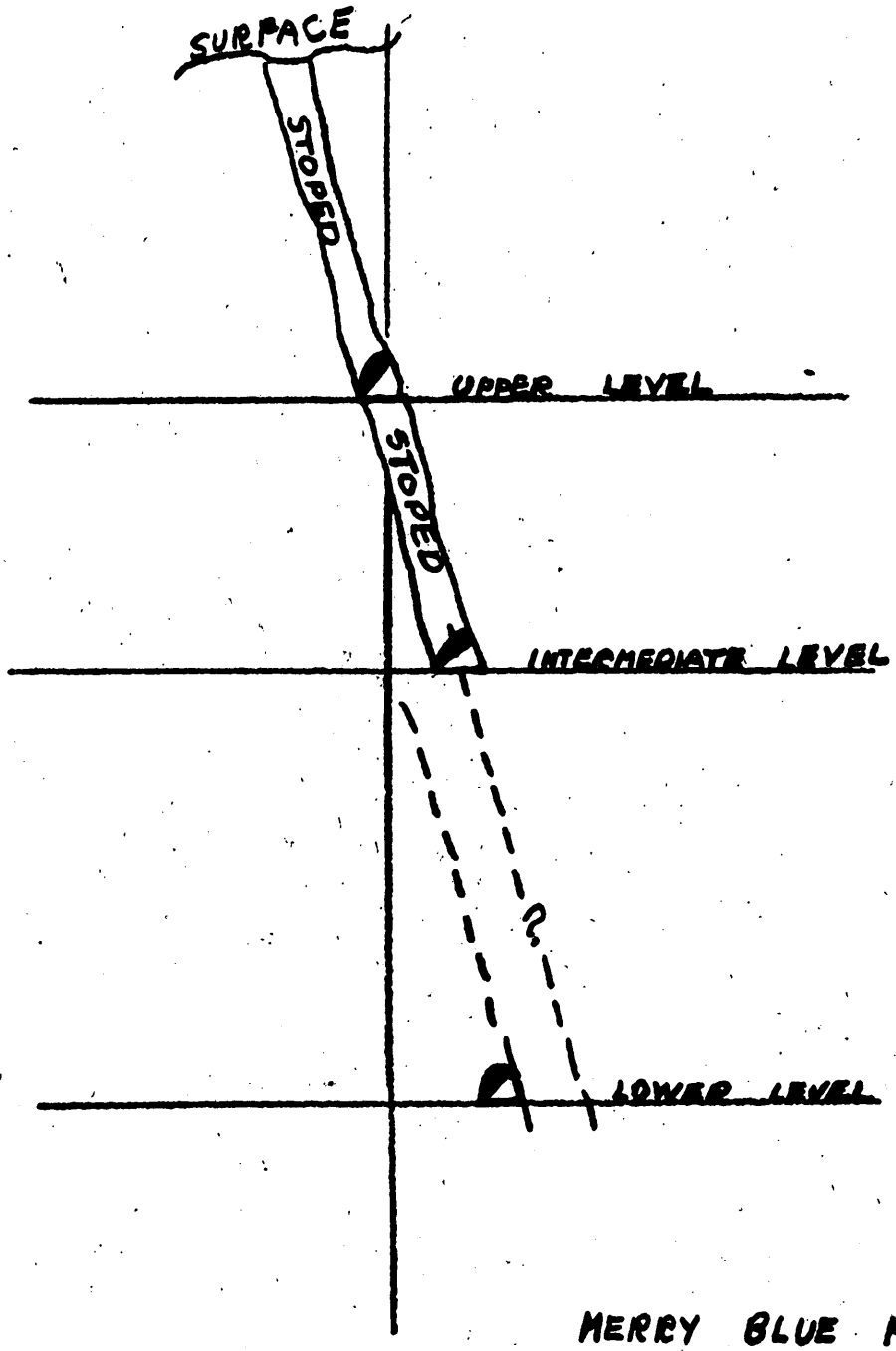
These veins should be mined with a maximum dilution of 50% which would make the stopes run from 3 to 4 feet wide and product which would assay as follows: 0.60% WO3, and 1.25 oz. gold per ton, or a value of $81.00 per ton.

It is possible that the dilution would be less and the grade of ore higher because Lockwood reported that the wall rock contained tungsten and that additional sampling may show additional ore. This is illustrated by two sets of samples, 4 and 5, and 10 and 11:

		Width	WO3%
No. 4 -	Raise 100 ft. from face (quartz vein)	1.5'	0.10
No. 5 -	Footwall of No. 4 (Heavily mineralized granite)	2.0'	1.2
	Total and Average	3.5'	0.75%
No. 10 -	Narrow quartz vein in Raise	1.0'	1.2
No. 11 -	Granite footwall of above	1.7'	0.9
	Total and Average	2.7'	1.0

There is no blocked ore but there appears to be one shoot 120 feet long with a possible extension of 70 feet. If this were mined to a width of 3 feet it would produce 4000 tons per 100 ft. of depth. Lockwood reported that both ends of the Lower Level "were open" meaning that the ore continues in both directions, so it is quite possible to develop other ore along the strike of the vein. This and the possibility of developing parallel veins increases the tonnage possibilities.

DMEA - 2806



MERRY BLUE MINE
VALLEY COUNTY, IDAHO
SECTION THRU SHAFT
LOOKING EAST

SCALE: 1" = 20'

METALLURGY

Because of the presence of scheelite, wolframite, and ferberite Lockwood had some misgivings as to spparating the minerals into a salable product. This is not difficult as wolframite and ferberite are magnetic and can be pulled away from the scheelite with a Dings Magnetic Separater. The concentration can be made with tables and the gold amalgamated.

CONCLUSIONS AND RECOMMENDATIONS

The Merry Blue Looks very favorable for the development of a small high grade mine which can be operated at a nice profit. The ore contains good values in both gold and tungsten so it contains a hedge against any decrease in the price of tungsten. The present price of tungsten is guaranteed by the Government at $63.00 per unit.

Until the operation is well organized there will be some difficulties due to snow and long distance from rail, but these can be overcome as is evidenced by the successful operation of the Bradley Mining Company at Stibnite and the Howe Sound Company near Forney, Idaho. Both of those mines are located in areas where climatic conditions are similar to Merry Blue.

Because the heavy snow commences in late November, work should start immediately and the following should be done:

1. Bull-doze road from highway to mine.
2. Bull-doze Lower Level portal open.
3. Make surface cuts to count for assessment work and prospect for parallel veins.
4. Install compressor and equipment.
5. Drive short cross cut south on Lower Level in vicinity of ore shoot.
6. Drift east on Lower Level.
7. Sink winze or shaft 125 feet deep.
8. Drive Level at 125 feet in winze or shaft.

The approximate cost of this work will be:

EQUIPMENT

Diesel Electric Plant	$ 4000.00
Compressor	8000.00
Truck	1800.00
Pick Up Truck	1800.00
3 Drills	1500.00
Hose, drill steel, bits	1000.00
Hoist	1800.00
Air Locomotive for tramming	1800.00
Slusher for mucking	2000.00
Rail and Pipe	3000.00
Mine Cars	500.00
Mine Buckets	100.00
Shop and Tools	1000.00
Sinker Pump	600.00
Camp and Equipment	5000.00
	$33,900.00

C O P Y

DEVELOPMENT AND WORK

Preliminary work and bull-dozing	2500.00
Sink 125 feet at $200.00 per ft.	25000.00
Drift 620 feet at $20.00	12400.00
Overhead, supervision, accounting	3000.00
	$ 42,900.00

This makes a total of $76,800.00, but there should be provided $100,000.00 so that operations could continue into next summer while a mill is being constructed.

The above program would require about 7 months to complete but a decisions to build a mill could probably be made so that construction could start early in the summer of 1952.

Very truly yours,

H. Grattan Lynch

DMEA-2806

SAMPLING DATA

Gold Sampling by P. H. Miller @ $35.00 per oz.

9	$3.50	13	$85.40	17	$184.10	21	$65.80	25	$71.20
14	$2.80	15	$335.30	18	$25.20	22	$92.40	26	$5.60	23	$13.30

Tungsten Sampling by B. Lockwood, Jr., @ $63.00 per Unit

	Width	% WO_3	Value		Width	% WO_3	Value
1	4.4	2.5	$157.50	10	1.0	1.2	$75.60
2	1.6	0.20	$ 12.60	11	1.7	0.9	$56.70
3	2.5	0.05	$ 3.15	12	1.0	1.7	$107.10
4	1.5	0.10	$ 6.30	13	1.1	1.5	$94.50
5	2.0	1.20	$ 75.60	14	1.3	2.2	$138.60
6	4.2	0.20	$ 12.60	16	1.8	Tr	
7	1.6	0.40	$ 25.20	17	1.0	2.8	$176.40
8	1.5	1.80	$113.40				

SAMPLING DATA

Sampling by E. H. Miller @ $36.00 per ch.

$105.60	$104.10	$105.00	$71.20	
$108.30	$25.00	$92.40	$5.00	$13.50

Sampling by B. Lockwood, Jr. @ $63.00 per Unit

Sample	Value		Width	% O_2	Value
25	$157.50	1	1.0'	1.5	$75.60
[illegible]	$ 12.60	2	1.7'	0.9	$56.70
[illegible]	$ 3.15	3	1.0'	1.7	$107.10
[illegible]	$ 6.30	4	1.1'	1.5	$94.50
120	$ 25.00	5	1.3	2.2	$138.60
[illegible]	$ 12.00	6	1.0	.77	
[illegible]	$ 25.00	7	1.0	2.8	$176.40
[illegible]	$113.40				

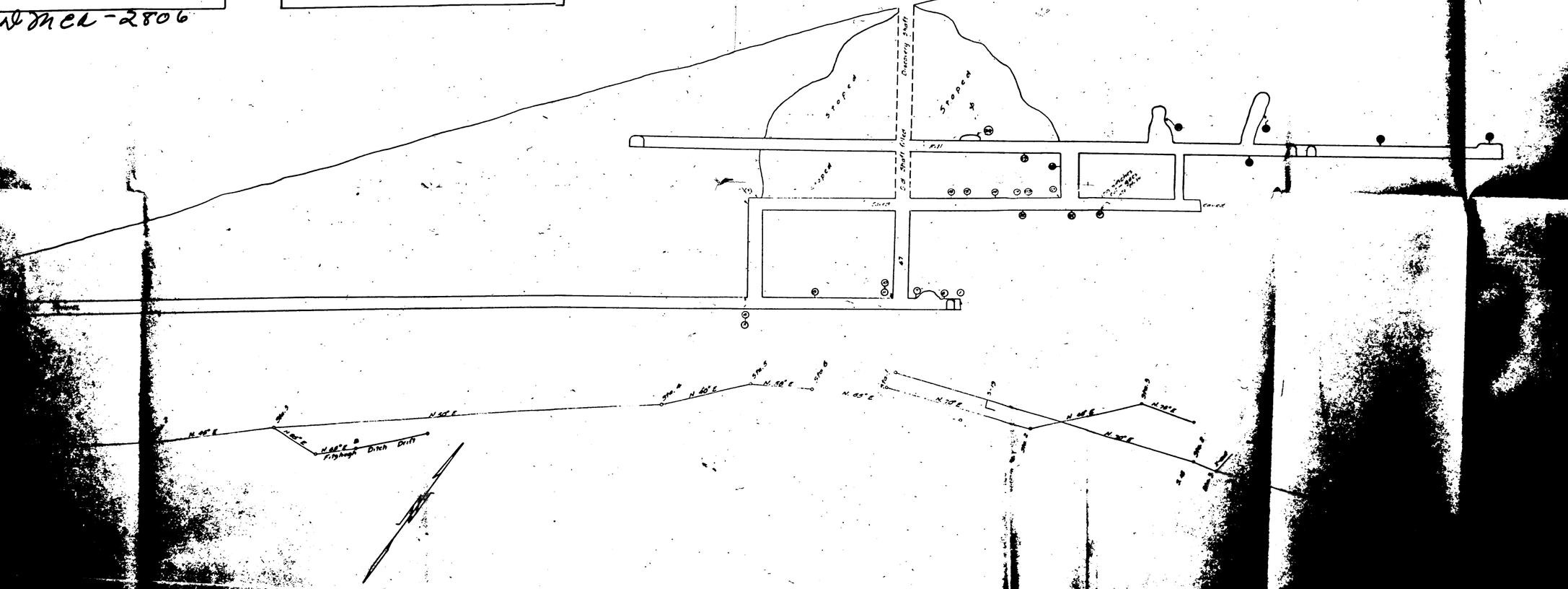
JMcL-2806

MERRY BLUE MINE.

VALLEY COUNTY, IDAHO.

PLAN AND LONGITUDINAL SECTION.

SCALE: 1" = 20'



C O N T R A C T

THIS INDENTURE AND AGREEMENT, entered into by and between P. F. KNIGHT , joined in by his wife, GLADYS D. KNIGHT, H. G. LYNCH, joined in by his wife, AVIS LYNCH, and R. H. PFEFFER joined in by his wife, DOROTHY C. PFEFFER and R. H. PFEFFER As Executor of the estate of Thelma Pfeffer, deceased, hereinafter referred to as "Vendor", and ALABAMA-CALIFORNIA GOLD MINES COMPANY, a Washington corporation, hereinafter referred to as "Vendee",

W I T N E S S E T H:

WHEREAS, Vendor have possession of certain mining claims known as the Merry Blue Group, consisting of four unpatented mining claims situated in the Deadwood Mining District, Valley County, State of Idaho, designated as the Merry Blue Claim, the Fourth of July Claim the Rose Claim and the Charlie "A" Claim, under that certain mining lease and option by and between Margaret E. Hall, as Lessor, and R. H. Pfeffer, as Lessee, dated the 24th day of August, 1951, and filed of record with the County Recorder of Valley County, Idaho, on the 24th day of October, 1951, in Book 9 of Miscellaneous Records, page 123, and undivided one-third (1/3) interest in said mining lease and option having been heretofore assigned by R. H. Pfeffer to P. F. Knight and a one-third (1/3) interest to H. G. Lynch, the other Vendor hereto; and a copy of said lease, option and assignment is hereto attached marked Exhibit "A" incorporated herein by reference; and

WHEREAS, Vendor are owners of four additional unpatented mining claims adjoining the said Merry Blue Group, which mining claims are located in the Deadwood Mining District, Valley County, State of Idaho, and more particularly described as follows:

> "Mary Lee", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43307 in Book 13 of Quartz Location Notices, at page 241, and by this reference made a part hereof; and
>
> "Mary Lee No. 1", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43308 in Book 13 of Quartz Location Notices, at page 242, and by this reference made a part hereof; and
>
> "Mary Lee No. 2", the location notice of which was recorded in the Office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43309 in Book 13 of Quartz Location Notices, at page 243, and by this reference made a part hereof; and
>
> "Mary Lee No. 3", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43310 in Book 13 of Quartz Location Notices, at page 244, and by this reference made a part hereof:

which claims, together with those above described and included in the Merry Blue Group set out in Exhibit "A" are sometimes hereinafter referred to as "said mining claims" or "said property", such reference is intended in all cases to include all of said leases and mining claims in their entirety; and

Whereas, Vendee desired to exploit and develop at its sole cost and expense the said mining claims;

NOW, THEREFORE, in consideration of the premises, the respective covenants and undertaking hereinafter set forth and of the sums to be paid by Vendee to Vendor as hereinafter set forth, the parties hereto mutually agree as follows:

(1) That the Vendor bereby agrees to sell, transfer and set over to Vendee all right, title and interest to said mining claims above described subject to the following terms and conditions.

(2) That the Vendee agrees to pay for the aforesaid mining claims including all water rights and/or all other appurtenances including easements for said claims the sum of $300,000.00 payable as follows: The sum of $500.00 shall be paid in cash and the balance shall be paid as hereinafter set forth. That 15 per cent of the net smelter returns shall be paid by Vendee to Vendor when and as received by Vender, to be applied upon said purchase price, PROVIDED FURTHER, that not less than $15,000.00 shall be paid on said purchase price on or before the 1st day of September, 1953, and not less than $25,000.00 on the 1st day of each succeeding September until the full purchase price is paid in full. No interest shall accrue on the above principal if payments are made as herein provided.

That the Vendor agrees upon receiving full payment of the purchase price, in the manner above set forth, to execute and deliver good and clear title to the aforesaid mining property in form and manner acceptable to Vendee's attorneys, free of incumbrances except those that may accrue through Vendee.

(3) That Vendee agrees to undertake immediately to develop, exploit and operate said mine and will begin drifting upon said mining claims not less than thirty (30) days from date hereof.

(4) That Vendee agrees to render a statement of account and to pay all payments hereunder monthly. That payments shallbe made on or before the 10th day of the following month.

(5) That Vendee acknowledges that it has received a copy of that certain lease and option dated August 24, 1951 between Margaret E. Ball and R. H. Pfeffer, a copy of which is hereto attached marked Exhibit "A". The Vendee hereby agrees to comply with all the covenants and conditions stated in Exhibit "A" regarding rental and royalty payments together with all other covenants and conditions therein contained. All sums paid under said Exhibit "A" to Margaret E. Ball and/or R. H. Pfeffer to their assigns shallbe deducted from the sums to be paid by Vendee to Vendor under paragraph two above.

(6) That subject to the provisions of this contract Vendee, entirely at its own expense, shall have the sole and exclusive right, so long as this contract shall remain in force and effect, under the terms hereof, to mine, extract and remove from said mining claims all tungsten, gold, silver and other valuable ore and mineral products situated thereon and to market and sell the same.

(7) That the Vendee shallconduct all mining operations which it undertakes hereunder in accordance with good

mining practice pertaining to the type of mining required upon said mining claims, shall properly timber the mine and shall drive such tunnels, drifts and openings as will result in proper exploration and blocking out of ore in advance of mining.

(8) That the Vendor may have a representative or representatives upon said mining claims or in said mine at any and all times to inspect, survey, take samples and to check upon the mining progress and the manner of its conduct and operation.

(9) That the Vendee shall pay all taxes of every nature whatsoever which are incurred or which accrue while Vendee is in possession hereunder, against the said mining claims and against any improvement and equipment placed thereon.

(10) That the Vendee shall perform all annual assessment work on each of said mining claims each and every year, or portion thereof, that it is in possession and on or before June 1st of each and every year shall file with the County Recorder of Valley County, Idaho, legal proof of the performance of said assessment work, unless the requirement for assessment work is waived by act of Congress before May 15th of the year involved, in which event such holding statement or other affidavit will be filed as may be required by such act.

(11) That the Vendee shall be solely responsible for the payment of all labor, supplies, equipment and other materials furnished to or by Vendee in connection with its development, exploitation and operation of said mining claims,

and shall keep said mining claims, the premises described therein, and the whole thereof, free and clear of all liens and encumbrances of every kind and character on account of any such labor, supplies, equipment or materials furnished. Any sum which Vendee shall pay or be required to pay to protect the title in Vendor to said mining claims, shall be considered as an advancement for the account of Vendor and shall be repaid out of the royalty payments hereinabove provided for. Vendee shall carry workmen's compensation for its employees, as required by the State of Idaho, and shall pay the required Social Security and all other taxes upon its employees working on the above described property. Vendee shall post upon and continually keep posted upon said mining claims, in conspicuous places, where every employee is working or materials are being delivered, a statement, as required by law, that neither Vendor nor the mining claims or grounds are in any manner responsible for wages or salaries for labor performed thereupon or for the payment of supplies, equipment or other materials furnished to said mining claims in the operation thereof by Vendee. Vendee shall save Vendor harmless from any and all claims of creditors for materials and/or labor furnished to or by Vendee while it is occupying said mining claims, and Vendee shall comply with the provisions of Section 43-401 to Section 43-402, inclusive, of the laws of the State of Idaho relative to recording and posting notices.

(12) All water rights, if any, incident to the said mining claims shall be made available to Vendee in carrying

on the operations under this agreement, and any additional water rights acquired in connection with said mining operations shall be acquired in the names of the Vendor. Any right of way that may be acquired by Vendee over private ground for the purpose of access to said mining claims, or any of them shall be obtained in the names of Vendors, with Vendee having the right to use said right of way.

(13) True and accurate accounts and records reflecting the sales of and receipts from the minerals, ores and products taken from said mining claims shall be kept by Vendee and, upon request, Vendee shall furnish to Vendor a duplicate of any such records, and Vendor shall have access to such accounts and records of Vendee. None of the minerals, ores or products taken from the said mining claims, or any of them, shall be commingled with products of other properties than those covered hereby until after there has been a full and complete settlement thereof and payment therefore, provided that this clause shall not prevent Vendee from marketing the minerals, ores, or products of said mining claims in the ordinary course of its business under which an accounting satisfactory to Vendor is maintained therefor.

(14) Vendor reserve the right to apply for United States mining patents for any of the said mining claims, and in the event such patents shall be obtained, any taxes thereafter levied against the lands covered thereby shall be paid by Vendee. Vendee shall indemnify and hold harmless Vendor, and each of them from all loss, damage, expense, costs or attorneys' fees, and any and all liability therefore sustained or incurred by

Vendor, or any of them by reason or on account of any claim, action, suit or proceeding against Vendee, or any of them, in any way growing out of or in connection with or associated with the use or occupancy of said mining claims, or any part thereof, by Vendee, or in making an investigation because thereof, or in procuring or defending any action brought in connection therewith, or in obtaining releases therefrom, or the enforcement of any of the covenants herein contained and by Vendee to be performed, provided, however, that the above provision will not apply to any suit, claim or proceeding involving Vendor's title to said mining claims or Vendee's right to occupy the same hereunder, excepting only as may be specifically assumed by Vnedee herein.

(15) That the Vendor do hereby covenant to fully defend all right, title and interest in and to said mining claims.

(16) In the event that Vendee shall file a petition in bankruptcy or be adjudicated a bankrupt or insolvent by any court, or make an assignment for the benefit of creditors, or if a receiver or trustee of Vendee is appointed, or Vendee shall file a petition for re-organization, then in any of said events, Vendor shall have the right to terminate this agreement upon ten (10) days written notice, and any and all sums theretofore paid by Vendee shall be held and retained by Vendor and/or by said Margaret E. Ball as compensation for the use and occupation of said mining claims by Vendee.

(17) That Vendee shall have the right to cancel this contract at any time prior to the payment of the full

purchase price. Such cancellation shall be effected by a notice in writing served upon the Vendor by registered mail at least 30 days before the effective date of such cancellation and surrender of possession of said property. It is expressly understood however that such cancellation shall not relieve the Vendee from its obligation to pay 15 per cent of the net smelter returns upon all ore removed by it from said property during the life of this contract. Such cancellation shall release the vendee from any obligation to pay any unpaid balance of said purchase price or any unpaid annual minimum payments beyond the 15 per cent of the net smelter returns from the ore actually removed by the Vendee under this contract. It is the intention of the parties to permit the Vendee to relieve itself from the obligations of this contract by giving notice of cancellation except for the obligation to pay 15 per cent of the net smelter returns of the ore actually removed by the Vendee.

(18) Time is of the essence of this agreement. If Vendor shall at any time or times believe that Vendee has failed to perform any of the terms, covenants, provisions or conditions of this contract by it to be performed, said Vendor, or any one of them acting for himself and the other Vendor, shall give written notice thereof to Vendee at the address hereinafter stated, which said written notice shall specify the particulars wherein it is claimed that Vendee has failed to perform its obligations. Vendee shall have thirty (30) days from receipt of such notice in which to correct any claimed defaults or to show that such defaults never

existed, and if, within said thirty (30) days, Vendee shall fail to correct such defaults or to show that such defaults never existed, then and in that event all Vendee's right to mining claims, and all rights hereunder shall, at the option of Vendor, terminate, and Vendee shall forthwith cease operations upon said property, peaceably surrender the same and remove all of its machinery, equipment and personal property therefrom not constituting fixtures.

(19) That the parties hereto expressly agree that all machinery equipment installed upon the demised premises by the second party shall remain its property and it shall be entitled to remove the same at any time and shall have a reasonable period in which to complete such removal after the termination or cancellation of this contract regardless of the manner such contract is terminated.

(20) Any notice that either party hereto desires to or may be required to give to the other respecting this agreement or any matter or thing in connection therewith, shall be given in writing and sent by registered mail, postage prepaid, to the parties at their respective addresses, as follows:

First Parties: P. F. Knight
11411 Gravelly Lake Drive
Tacoma, Washington

H. G. Lynch
2790 Bayside Walk
San Diego, California

R. H. Pfeffer
2904 East Elm Street
Tuscon, Arizona

Second Party: Alabama-California Gold Mines Co.
Lyons Building
Seattle, Washington

or to such other addresses as either of said parties shall communicate to the other in the manner herein prescribed for the giving of notice.

(21) This agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS HEREOF, the parties hereto have executed this agreement and lease in quadruplicate on the _____ day of _____, 1952, at _____, Washington.

_____
P. F. Knight

_____
Gladys D. Knight

_____
H. C Lynch

_____
Avis Lynch

_____
R. H. Pfeffer
Individually, and as Executor of the Estate of Thelma Pfeffer, Deceased

_____
Dorothy C. Pfeffer

ALABAMA-CALIFORNIA GOLD MINES COMPANY

By_____

And_____

STATE OF WASHINGTON)
(ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the State of Washington, hereby certify that on this _____

day of _____, 1952, personally appeared before me P. F. KNIGHT and GLADYS D. KNIGHT, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed and sealed the same as theri free and volumtary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

_____
Notary Public in and for the State
of Washington, residing at Seattle

STATE OF ARIZONA)
(ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the State of Arizona, hereby certify that on this _____ day of _____, 1952, personally appeared before me H. C. LYNCH and AVIS LYNCH, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed and sealed the same as their free and volumtary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

_____
Notary Public in and for the State
of Arizona, residing at _____
My Commission Expires: _____

STATE OF ARIZONA)
(ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the State of Arizona, hereby certify that on this d _____ day of _____, 1952, personally appeared before me R. H. PFEFFER, individually and DOROTHY C. PFEFFER, his wife and R. H. PFEFFER as Executor of the Estate of Thelma Pfeffer, deceased, to me known to be the individual described in and who

executed the foregoing instrument, and acknowledged that he signed and sealed the same, in said capacity, as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

Notary Public in and for the State
of Arizona, residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
(ss
COUNTY OF KING)

On this 4th day of September, 1952, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David E. Pryde and George O. Nelson to me known to be the President and Secretary respectively, of ALABAMA-CALIFORNIA GOLD MINES COMPANY, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Kenneth O. Selander
Notary Public in and for the State
of Washington, residing at Seattle

A G R E E M E N T

AGREEMENT made, in duplicate original this 24th day of August, 1951, between MARGARET E. BALL, First Party, and R. H. PFEFFER, Second Party.

First Party is the owner and in possession of that certain mine and four Unpatented Mining Claims situated in the Deadwood Mining District, County of Valley, State of Idaho, more particularly described as follows:

Mary Blue, Fourth of July, Rose, and Charley "A" and Second Party is desirous of obtaining from First Party an exclusive lease of said property with the right to go upon said property and prospect and test the same for tungsten, gold, silver and other ore, and the exclusive right to purchase said property.

NOW, THEREFORE, First Party, in consideration of the sum of Ten Dollars ($10.00) to her in hand paid by Second Party, the receipt whereof is hereby acknowledged, does hereby lease, let and demise unto Second Party and Second Party is hereby granted by First Party the exclusive right and option to purchase said property, all upon the following terms and conditions:

1. The period for which this lease is given is ten (10) years from date hereof.

2. Second Party agrees to pay to First Party as royalty ten percent (10%) of the net smelter returns realized from all ores or minerals extracted from said property; said

EXHIBIT "A"

payments to be made on the 15th day of each calendar month, for all said returns received during the preceding calendar month. It is further agreed and understood by the parties hereto that all sums received hereunder by way of royalty shall be applied upon the purchase price of said property as hereinafter stated in the event that Second Party elects to purchase said property as hereinafter provided.

3. Second Party agrees in each twelve-month period during the life of this lease, beginning with the month of December, 1952, to pay to First Party the sum of $2,000.00 provided, however, that any royalty paid hereunder by First Party to Second Party in each said twelve-month's period shall be applied in payment of said sum of $2,000.00 to the credit of Second Party; said payment of said sum of $2,000.00 shall be applied upon the purchase price of said property as hereinafter stated in the event that Second Party elects to purchase said property as hereinafter provided.

4. Second Party agrees that all payments hereunder to be made to First Party, whether by way of royalty or otherwise, shall be delivered to Margaret E. Ball, 348 Amherst Drive, Burbank, California, and in connection with all royalty payments Second Party agrees, together therewith, to furnish First Party duplicate copies of all smelter returns, if any.

5. Second Party agrees that all work done in or on said property shall be done in a good and miner-like manner with a view to the preservation and development of the property as a mine or mines and in accordance with the State and Federal mining

regulations applicable thereto.

6. Second Party agrees during the life of this agreement to perform the annual labor for the benefit of said property so as to preserve the title and right to the possession thereof in First Party and cause to be made and recorded in accordance with law proper affidavits of the doing of said annual labor.

7. It is agreed that all machinery, equipment and supplies installed by Second Party on said property will be considered to be, and will be, personal property belonging to Second Party and shall be subject to removal by Second Party upon termination of this Agreement provided, however, that Second Party shall not remove said machinery, equipment and supplies from said property until Second Party has paid to First Party all royalties or other sums accrued hereunder.

8. Second Party shall promptly pay all bills for labor performed and for equipment, materials, supplies, water, electric energy and other utilities furnished on said property during the term hereof, and shall keep said premises free and clear of all labor, mechanics' and other liens and to that end shall keep posted thereon where any work is being performed, or equipment, materials, supplies or utilities used, such notice or notices of non-responsibility of First Party as the latter may desire and furnish to Second Party therefor.

9. First Party, or her duly authorized representative, may enter upon said property at any time or times during the term hereof for the purpose of inspecting the operations of Second Party hereunder, and Second Party will make available to First Party any information or data First Party may request

concerning the recovery from allores or minerals extracted from said property.

10. Second Party agrees to comply with the Workmen's Compensation provisions of the Labor Code of the State of Idaho.

11. Second Party agrees to indemnify First Party against and hold her harmless from any and all losses, expenses, or liability for claims, demands or causes of actions which may result from, arise out of or in any way be connected with the exercise by Second Party of any rights hereunder; and in the event that any action shall be commenced against First Party in respect to any such claim, demand or cause of action Second Party will defend same at his own cost and expense; and if any judgement shall be obtained against First Party, or against First Party and Second Party jointly be reason thereof, Second Party shall pay same and hold First Party harmless therefrom.

12. Second Party agrees during the life of this agreement, before the same shall become delinquent, to pay all taxes and assessments that may be levied or assessed against said property, including the improvements thereon, except severance taxes, if any, which may hereafter be imposed upon and be payable by First Party upon the royalty share to which First Party is entitled hereunderunder.

13. First Party grants unto Second Party an option to purchase said property at any time during the life of this agreement, Second Party not being in default under any of the terms of this agreement, for a total purchase price of Twenty

Thousand Dollars ($20,000.00), lawful money of the United States; provided, however, that in the event Second Party exercises said option to purchase on or before the 1st day of December, 1952, then and in that event, said purchase price shall be the sum of $15,000.00 lawful money of the United States.

14. If Second Party shall continue in any default in the performance of any of his promises, covenants, or conditions herein contained for a period of thirty (30) days after written notice specifying the nature and extent of such default shall have been communicated to him by First Party shall have the option to terminate this agreement by communicating written notice of her election to terminate thisagreement First Party shall be released from all obligations hereunder, and any and all sums theretofore paid by Second Party to First Party shall be held and retained by her as compensation for the use and occupation of said property by Second Party.

15. Second Party shall have the right to terminate this agreement at any time by giving fifteen (15) days' notice in writing of his election to terminate this agreement to First Party in the manner hereinafter provided for the communications of notices and in the event Second Party shall terminate this agreement by written notice communicated as aforesaid any and all obligations of Second Party under this agreement, save and except the obligation of Second Party to pay all debts for labor and supplies and equipment theretofore incurred by him and the obligation of Second Party to pay to First Party all royalties,

or other sums accrued hereunder, shall cease and end; the making of any payment by second party or the doing of any work on said property by second party shall not in any way obligate second party to make any other or further payment or to do any other or further work after second party shall have given written notice to first party of his election to terminate this agreement as aforesaid.

16. In the event that second party shall file a Petition in Bankruptcy or be adjudicated a bankrupt or insolvent by any Court, or if a receiver or Trustee in Bankruptcy, or a Receiver of the second party shall be appointed in any suit or proceeding brought against second party, or if second party shall make an assignment for the benefit of creditors, or if second party shall file a Petition for relief of debtors or for reorganization then, in either or any of said events, first party shall have the right to terminate this agreement upon ten (10) days' notice to the second party and, thereupon, first party shall be released from all obligations hereunder and first party shall retain all sums theretofore paid to her by second party as compensation for the use and occupancy of said premises.

17. Any notice that either party hereto desires to or may be required to give to the other respecting this agreement, or any matter or thing in connection therewith, shall be given in writing and sent prepaid registered mail to the respective parties at their respective addresses as fallows:

FIRST PARTY	ADDRESS
Margaret E. Ball	348 Amherst Drive Burbank, California

SECOND PARTY	ADDRESS
R. H. Pfeffer	Post Office Box 5086 Tucson, Arizona

or to such other address as either party shall communicate to the other in the manner herein prescribed for the giving of notices. Notice by registered mail shall be deemed to have been fully communicated when deposited in a United States Post Office in a sealed envelope addressed to either party at the address as herein before specified.

18. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors and administrators, successors and assigns.

19. Time is of the essence of this agreement.

This agreement, executed in duplicate original, the day and year first about written.

Margaret E. Ball, First Party

R. H. Pfeffer, Second Party

FILE COPY
SURNAME:

140

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

Rewritten by

WSMartin
Rubin
Hofflund
Martin

JAN 14 1954

Mr. Kenneth J. Selander
Selander, Espedal & Clark
Dexter Horton Building
Seattle 4, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Alabama-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selander:

Your letter of January 7, 1954, requested that the subject application be kept in an active status until you have had an opportunity to obtain Owner's Consents to Lien from property owners now abroad, and other data which we have requested.

As we could not continue processing the application without this data, the application was placed in an inactive file on December 24, 1953. However, if this data reaches us within a reasonable time, we could reinstate the same application to an active status.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WSMartin/HCRubin/ema 1-13-54
cc: Mails & Files
Adm. R. File
C. O. Mittendorf
Op. Comm.
Field Team - Reg. II (2)
W. S. Martin
H. C. Rubin
J. L. Hofflund
Chron. Pending

R.C.S.
1-14-54

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 11 1954

LAW OFFICES OF
SELANDER, ESPEDAL & CLARK
DEXTER HORTON BUILDING
SEATTLE 4

IRVING CLARK JR.
B. ROLF ESPEDAL
KENNETH J. SELANDER

TELEPHONE
MUtual 0080

January 7, 1954

Department of the Interior
Defense Minerals Exploration Adm.
Washington 25, D. C.

Gentlemen:

Re: Docket No. DMEA 2806 - Tungsten
Merry Blue Mine, Valley County, Idaho

Reference is made herewith to your letter of November 18, 1953, directed to Mr. George O. Nelson, Secretary-Treasurer of Alabama-California Gold Mines Company. This letter has been referred to me this last week, since the consent to liens which were sent out to the holders of interests in this property have not been returned. These consents to liens have not been returned since the people concerned are out of the continental United States travelling in foreign countries and we are having considerable difficulty locating there whereabouts.

With reference to your letter of November 18, 1953, you indicated that the data which you requested in previous letters were not received by you by December 24, 1953, that you would transfer the referenced docket to the inactive file and cause the matter to be closed. It is requested that, if possible, this matter not be closed because of this inordinate delay, but that the matter be kept in an open file until you hear from the undersigned further in this connection.

Please be advised that we expect to have the information some time in February since we will know where the parties are the latter part of January and will be able to furnish the consent to liens which you have requested, together with the other information which you have requested in this matter.

Sincerely yours,

SELANDER, ESPEDAL & CLARK

Kenneth J. Selander

Kenneth J. Selander

KJS:sy

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

December 31, 1953

MEMORANDUM

To: Mr. Robert E. Adams, Chief
Operations Control and Statistics Division, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Removal of application from the active file
Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue mine
Valley County, Idaho

December 10, 1952 - The subject application was received by DMEA.

December 19, 1952 - The applicant was requested to supply additional and more definite information concerning the mining property and proposed exploration work.

March 2, 1953 - Applicant advised the Field Team that the owner refused to sign an Owner's Consent to Lien. He also asked if purchase price could be included in a loan.

March 10, 1953 - Field Team advised applicant that purchase price could not be included as a cost of exploration. He was given until April 13, 1953, to supply the required information.

April 8, 1953 - Applicant advised the Regional Office that he would call within two weeks to discuss his application.

June 22, 1953 - Applicant was again advised that his application would be considered closed if the requested information was not supplied within 30 days.

July 9, 1953 - Mr. H. C. Van Valkenburgh, a director of the Alabama-California Mines Company, called at the Regional Office. He stated that Owner's Consent to Lien could not be obtained but the Company would purchase the mining property. He promised to submit copies of the purchase agreement during the following week. The Field Team then scheduled a field examination of the property.

August 19, 1953 - The Field Team submitted a field examination report recommending approval of an exploration project greatly reduced from the applicant's original proposal.

September 9, 1953 - The Washington Office, DMEA, advised the applicant that if the promised copies of the sales agreement were not received by October 15, 1953, the docket would be transferred to the inactive file and the matter closed.

September 21, 1953 - Applicant submitted Owner's Consent to Lien.

October 6, 1953 - The applicant was informed that the Owner's Consent to Lien was inadequate.

November 18, 1953 - Applicant was informed that if proper evidence disclosing a sufficient interest in the mining property was not received by December 24, 1953, the referenced docket would be transferred to the inactive file and the matter considered closed.

The applicant has not furnished the required data and the docket is transmitted herewith.

W S Martin

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

Hopkins
Martin

N. S. in R.R.

December 31, 1953

[illegible]

To: Mr. Robert T. Adams, Chief
Operations Control and Statistics Division, DMA

From: Iron and Ferro-Alloys Division, DMA

Subject: Removal of application from the active file
Docket No. DMA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue mine
Valley County, Idaho

December 10, 1952 - The subject application was received by DMA.

December 19, 1952 - The applicant was requested to supply additional and more definite information concerning the mining property and proposed exploration work.

March 2, 1953.- Applicant advised the Field Team that the owner refused to sign an Owner's Consent to Lien. He also asked if purchase price could be included in a loan.

March 10, 1953.- Field Team advised applicant that purchase price could not be included as a cost of exploration. He was given until April 13, 1953, to supply the required information.

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The applicant has not furnished the required data and the docket is transmitted herewith.

SIGNED

[illegible]. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

JHopkins/ls
12/30/53

cc: Docket
Code 400
Adm. Head. File

FILE COPY
SURNAME:

400
Rutledge
Martin

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

NOV 18 1953

Mr. George O. Nelson, Secretary-Treasurer
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA 2806 - Tungsten
Merry Blue mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to the above-docketed application for exploration assistance and our letters of September 9 and October 6, 1953, with regard to the ownership of the subject property.

We wish to cooperate fully in the matter of allowing ample time to obtain the necessary documents, but if these data are not received in Washington by December 24, 1953, we will transfer the referenced docket to the inactive files and consider the matter closed.

Sincerely yours,

C. O. Mittenhof (for)

Administrator

FARutledge:foc
11-17-53
cc: Docket
Code 400
Ft. Reg. 2
R. W. Geehan, USBM
T.P. Thayer, USGS
Admr. Reading File
Operating Comm.

R.C.S.
11-18-53

Docket MDL

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT - 6 1953

September 29, 1953

WSM
HCR 10/2/53

Mr. George O. Nelson
Secretary-Treasurer
Alabama-California Gold Mines Co.
5507 White Building
Seattle, 1, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to your letter to the Department of the Interior, Defense Minerals Exploration Administration, Washington 25, D. C., of September 22, 1953, with which were attached copies of a Consent to Lien agreement signed by Jerald D. Hile.

You will, undoubtedly, hear from Washington regarding your letter; however, in reviewing the letter together with our file of previous correspondence, we have concluded that the referenced Consent to Lien agreement will not be acceptable to DMEA. We therefore wish to present to you a review of the case as we see it and to suggest certain ways in which the application requirements may be fulfilled.

In examing your DMEA application received at this office on September 15, 1952, we gather that the Merry Blue property, comprised of the Merry Blue, Fourth of July, Rose, and Charley "A", was originally held by Margaret E. Ball who in turn leased the property to R. H. Pfeffer. R. H. Pfeffer subsequently assigned an undivided one-third (1/3) interest in the mining lease and option to P. F. Knight and a one-third (1/3) interest to H. G. Lynch.

The three above-mentioned parties, acting as Vendor, subsequently entered into an indenture and agreement with the Alabama-California Gold Mines Company. More specifically, this agreement was between P. F. Knight and his wife, Gladys D. Knight; H. G. Lynch and his wife, Avis Lynch; R. H. Pfeffer and his wife, Dorothy C. Pfeffer; and R. H. Pfeffer as Executor of the estate of Thelma Pfeffer, deceased, and the Alabama-California Gold Mines Company.

On the assumption that the two above-described lease and option agreements, as attached to your application, are still in effect, the signature of Jerald D. Hile to the Owner's Consent to Lien agreement is not satisfactory as he is not the owner; neither would the signatures of R. W. Campbell, H. C. VanValkenburgh, and C. R. Bordeaux be acceptable for the same reason. If the two referenced lease and option agreements are still in effect, there will need to be Consent to Lien agreements--one signed by Margaret E. Ball to R. H. Pfeffer and one signed by R. H. Pfeffer, P. F. Knight, and H. G. Lynch and their respective wives--and affixed to the second Consent to Lien agreement should probably also be the signature of R. H. Pfeffer as Executor of the estate of Thelma Pfeffer, although we could be mistaken in asking for this latter signature.

If you are unable to obtain the signatures of the aforementioned people to Consent to Lien agreements, you might submit instead a Guaranty signed by an authorized official of the Alabama-California Mines Company which would subject that company to the obligations set forth in the Consent to Lien agreement. Such a Guaranty agreement would have to be approved in Washington before it would be acceptable.

In our previous correspondence of September 2, 1953, we noted that H. C. VanValkenburgh had called at our office on July 9, 1953, and informed us that company officials had been unable to secure Consent to Lien agreements from the owner and were therefore negotiating to gain possession of the property by purchase. For this reason, we asked for a Bill of Sale for this purchase. However, upon reading the lease and option agreement attached to your application, it would seem that such a purchase, to serve in lieu of the lease and option agreement, would have to be for cash which might be difficult for your company to negotiate. As we have not received this Bill of Sale and as you have subsequently submitted Consent to Lien agreements, it is assumed that this sale was never consummated. It would therefore seem that the only manner of fulfilling the application requirements would be either to obtain the above-described Consent to Lien agreements or the Guaranty agreement, the latter agreement which of course might not be acceptable.

We are enclosing twelve copies of Consent to Lien agreement together with six copies of a Guaranty agreement which has previously been used. We advise that you obtain signatures to the Consent to Lien agreement, unless of course that you have a Bill of Sale to the property and can show clear title. If you are unable to obtain signatures to the Consent to Lien agreement, you might sign the Guaranty agreement recognizing of course that such an agreement may not be acceptable.

We would appreciate your opinion on the contents of this letter.

Very truly yours,

Thor H. Kiilsgaard
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: DMEA(2) USBM(2) Nickelson

140

FILE COPY
SURNAME: MD

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

Rubin
AEKane
Martin
Chambers
Rewritten by: Martin
AEKane
Rutledge
Martin
Chambers
Selfridge

OCT - 6 1953

Mr. George O. Nelson
Secretary-Treasurer
Alabama-California
Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Alabama-California Gold Mines Co.
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

This responds to your letter dated September 22, 1953, stating that Jerald D. Hile, trustee, is the record owner of three claims for which your company proposes an Exploration Project Contract. An Owner's Consent to Lien, signed by the trustee, covering these three claims, was enclosed with your letter. Your letter also states that the "actual owners" of these claims are R. W. Campbell, H. C. VanValkenburgh, and C. R. Bordeaux.

This information has been sent to us in response to requests from this office and our Region II Field Office for evidence that your company holds a sufficient interest in the Merry Blue group of claims consisting of eight claims as enumerated in your company's application, for the purposes of an Exploration Project Contract. It was our understanding that the company was acquiring title to the eight claims. Instead, it appears that two directors of the company and a third party have acquired title to three claims, which title is now held in trust for these individuals.

We can only point out once more that it is necessary that the company hold a sufficient interest in the eight claims for the purposes of an Exploration Project Contract. If the company holds its interest in any of these claims under a lease from the trustee, we require a copy of the lease. If the company acquires ownership of the property, we should be informed of this fact. Upon receipt of proper evidence disclosing a sufficient interest in the eight claims, we shall give further consideration to your company's application.

Very truly yours,

Frank E. Johnson

Acting Administrator

HCRubin:ep 10-2-53

Chron.
Pending

Region II (2)
Mr. Martin
Mr. Hofflund
Mr. Rubin

Copy to: Mails & Files
Admr. Reading File
Oper. Comm.
Mr. R. W. Geehan, B/M
Mary Miller, USGS

10-6-53

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

Mr. Geor O. Nelson
Secretar Treasurer
Alabama- lifornia Gold Mines
Compar
5507 Whi Building
Seattle Washington

Re: Docket No. DMEA-2806
(Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr Nelson:

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Very truly yours,

Acting Administrator

we require a copy of the lease, ~~and the owner's consent to lien~~
If the company acquires ownership of the property, we should be informed of this fact.

from the Trustee

140

FILE COPY
SURNAME:

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

Rubin
Martin
Chamberlin

Mr. George O. Nelson
Secretary-Treasurer
Alabama-California Gold Mines
Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA-2806
(Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

This responds to your letter dated September 22, 1953, stating that Jerald D. Hile, trustee, is the record owner of three claims for which your company proposes an exploration project contract. An Owner's Consent to Lien, signed by the trustee, covering these three claims, was enclosed with your letter. Your letter also states that the "actual owners" of these claims are R. W. Campbell, H. C. VanValkenburgh, and C. R. Bordeaux.

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Very truly yours,

Acting Administrator

H. C. Rubin:ep 9-29-53

Chron.
Pending

Re[redacted])
Mr. Martin
Mr. Hofflund
Mr. Rubin

Copy to: Mails & Files
Admr. Reading File
Oper. Comm.
Mr. R. W. Geehan, B/M
Mary Miller, USGS

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9/24/53

REFERRED TO:

1. Code 400 Rm 3538
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

RECEIVED
SEP 24 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

REMARKS: .....

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

Docket

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1953

ALABAMA - CALIFORNIA
GOLD MINES COMPANY
5507 White Building
SEATTLE 1, WASHINGTON

1

WSM

September 22 1953

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

Re: Docket No. DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho.

Gentlemen:

Enclosed please find Owner's Consent to Lien pertaining to the above mentioned application. Also enclosed is a map showing the location of the mining operations.

You will note that the record holder is Jerald D. Hile, Trustee. The actual owners are R. W. Campbell, H. C. VanValkenburgh and C. R. Bordeaux. If you require their signatures to any document pertaining hereto please advise immediately and any form or affidavit required will be furnished.

There is also sent two copies of the Consent to your Spokane Office, together with one map in order that they may take action if deemed necessary.

Yours very truly,

George O Nelson
Secretary-Treasurer.

GON:HH
ENCL

CC Dept of the Interior
Defense Minerals Exploration Admn.
So.157 Howard St.
Spokane, 4, Wn.

MF-203

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 1 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller ~~has an interest~~ in certain property in the State of Idaho, County of Valley, described as follows:1/

Mineral Survey No. 3379, Blackfoot Land District. Plat of the Claim of Mrs. Margaret Ball, Known as the Merry Blue Group, comprising the Merry Blue, Fourth of July and Rose lodes, in Deadwood Mining District, Valley County, Idaho. Containing an Area of 60.786 acres.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Alabama-California Gold Mines Company, a Washington corporation

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract **and any amendment thereof** and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract **or any amendment thereof.** This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. The undersigned consents to all amendments of the contract.

Dated this 21 day of September, 195 3.

Gerald D Hile, Trustee [Seal]

[Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1959

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Valley, described as follows:1/

Mineral Survey No. 3379, Blackfoot Land District. Plat of the Claim of Mrs. Margaret Ball, known as the Merry Blue Group, comprising the Merry Blue, Fourth of July and Rose lodes, in Deadwood Mining District, Valley County, Idaho. Containing an Area of 60.786 acres

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/Alabama-California Gold Mines Company, a Washington corporation,

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and any amendment thereof and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof ~~[illegible]~~ there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, ~~[illegible]~~ or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim ~~that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract.~~ /or any amendment thereof. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. The undersigned consents to all amendments of the contract.

Dated this 24 day of September, 1959.

Gerald D. Ball, Trustee [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

September 10, 1953

WSM

Mr. Ernest W. Ellis, Acting Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2806(Tungsten)
Alabama-California Gold Mines Co.
Merry Blue Mine
Valley County, Idaho

Dear Mr. Ellis:

Enclosed please find six copies of a claim map of the Merry Blue Group recently received from the Alabama-California Gold Mines Company. On this map is shown in red the proposed tunnel work recommended in Mr. H. B. Nickelson's report forwarded to your office under Field Team letter of August 27, 1953.

To date, we have not received the Bill of Sale from the owner of the Merry Blue Group to the Alabama-California Gold Mines Company referred to in the above mentioned Field Team letter. This Bill of Sale will be forwarded to Washington upon receipt.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures (6)
cc: USBM(2)
Nickelson

Copy retained 400

402

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

September 10, 1953

Mr. Ernest W. Ellis, Acting Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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Thor H. Kiilsgaard
for A. B. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures (6)
cc: USMM(2)
Nickelson

Copy retained 40

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
SEP 8 - 1953

September 2, 1953

Mr. George O. Nelson
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

This will acknowledge receipt of your letter of September 1 in which you request necessary forms for the completion of the loan application, together with complete instructions. This letter is rather confusing as we do not know what forms you have in mind. We, therefore, wish to review the processing of your application in order to acquaint you with its status.

Your application has been submitted to Washington for further consideration. We have also transmitted to Washington copies of a field examination report on your property, which was made by Mr. Howard B. Nickelson on August 4, 1953. In that report it was noted that before a contract could be negotiated, DMEA should obtain from the applicant copies of a Bill of Sale on the Merry Blue Mine. This Bill of Sale is necessary inasmuch as we had previously been informed that you had been unsuccessful in obtaining a Consent to Lien agreement from the owner. In fact, Mr. H. C. Van Valkenburgh called at our office on July 9, 1953, and informed us that company officials had been unable to secure a Consent to Lien agreement from the owner and, therefore, were negotiating to gain possession of the property by purchase. Furthermore, he stated that the deal had been consummated and that the property had been bought by Alabama-California Gold Mines, Inc. He also stated that during the following week he would send to this office copies of the agreement that would establish the right of the company to the property. To date we have not received copies of this purchase agreement.

In the event the company has not purchased the property and is still unable to obtain signatures on a Consent to Lien agreement, it will be necessary for the company to present some other form of a Guaranty agreement to show their right to the property. This agreement will have to be received before a contract can be negotiated.

Copy retained 400

The only other information that our records show as having been requested of the applicant is a map of the property claims showing the location of the mine workings on these claims. This map has not been received and will be required if a contract is to be negotiated.

If you have further questions concerning your application, please advise.

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM(2)
DMEA(2)
Nickelson

400

FILE COPY
SURNAME:

Rutledge
Martin

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

SEP 9 - 1953

Mr. George O. Nelson, Secretary-Treasurer
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA 2806 - Tungsten
Merry Blue mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to the subject docket and recent conferences between officials of the Alabama-California Gold Mines Company and the DMEA Field Team.

We have been advised that Mr. H. C. Van Valkenburgh, a director of the company, informed our field team on July 9, 1953, that the referenced property had been purchased by your company and that copies of the purchasing agreement would be furnished the Government during the following week. To date these have not been received in Washington.

We wish to cooperate fully in the matter of allowing ample time, but if these data are not received in Washington by October 15, 1953, we will transfer the docket to the inactive files and consider the matter closed.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Copy to: Docket
Field Team, Reg. 2
Adm. Read. File
Code 400
Mary Miller, USGS
R. W. Geehan, USBM

FARutledge/ls
9/8/53

TTK 9-9-53

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 - 1953

August 27, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2806 (tungsten)
Alabama-California Gold Mines Co.
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selfridge:

Enclosed are four copies each of memoranda by Howard B. Nickelson, U. S. Geological Survey, and T. E. Howard, U. S. Bureau of Mines, concerning the subject application.

Examiners recommend that a contract be granted the applicant, but that it be greatly reduced from the amount applied for by the applicant.

Attention is directed to that section of Nickelson's report "Competency of the Applicant," in which it is noted that the applicant has been directed to submit a claim map. Also, that the applicant has been unable to secure Consent to Lien Agreements, but that they plan to purchase the property outright and will present a Bill of Sale to this office.

To date, neither the map nor the Bill of Sale has been received. We anticipate no difficulty in obtaining the map; it should be received in the near future. The Bill of Sale, however, is another matter that needs further attention. On July 9, 1953, we were informed by Mr. H. C. VanValkenburgh, a director of the company, that the property had been bought by the applicant and that copies of the purchasing agreement would be sent to this office during the following week. The delay in receiving the Bill of Sale may indicate trouble the applicant is having in obtaining this document and it is therefore recommended that unless the Bill of Sale is received within 30 days, the applicant be notified by the Washington office that either the Bill of Sale or a Guarantee in lieu of a Consent to Lien Agreement is needed, otherwise the application will be placed in the inactive file.

The Field Team concurs with the examiners and recommends that a contract be granted the applicant. However, a contract should not be drawn until the applicant has clarified the problem concerning property ownership.

By DMEA Field Team, Region II

acting for Thomas E Howard
M. E. Volin, Acting Exec. Officer
(U. S. Bureau of Mines)

Thor H Kiilsgaard
Thor H. Kiilsgaard, Acting Member
(U. S. Geological Survey)

Enclosures

cc: USBM (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 - 1953

Memorandum

August 19, 1953

To: DMEA Field Team, Region II

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Field Examination, Docket No. DMEA-2806 (Tungsten)
Alabama-California Gold Mines Company, Merry Blue Mine,
Deadwood District, Valley County, Idaho

INTRODUCTION

The Merry Blue mine was examined on August 4, 1953, by the writer, accompanied by Mr. LeBron, in charge of mining operations; Mr. Selander, lawyer for the company; Mr. Von Valkenburgh and son; and Mr. R. Mullins and son, contract miners. Messrs. LeBron and Von Valkenburgh are company directors.

The new adit for opening the old 6200 level was mapped, the surface and accessible adits were examined, and the exploration proposal discussed with the applicants.

RECOMMENDATION

It is recommended that the application be approved for the exploration of tungsten. The exploration program was discussed by the writer and the applicants during the field examination and has been based, in part, on geological evidence submitted in previous reports.

LOCATION OF THE PROPERTY

The Merry Blue mine is in sec. 22, T. 12 N., R. 7 E., Deadwood Mining District, Valley County, Idaho.

The property can be reached from Cascade, Idaho, by traveling the Cascade-Stibnite road to the Land Mark junction then turning southerly on the Deadwood-Stanley Basin road to a point near the head of the Deadwood Reservoir from where the mine can be reached by turning easterly on a 5-mile road. The mine can also be reached from Stanley via the Deadwood-Stanley Basin road. The distance from the mine to Cascade is about 65 miles.

CONDITION AND ACCESSIBILITY OF THE ROADS

The road from Cascade to the mine is generally closed from November to June, unless the mining and timbering industries in the area warrant keeping them open. The Cascade-Stibnite road was closed during the winter of 1952 and 1953 because Bradley operations at Stibnite were closed down.

The Deadwood-Stanley Basin road has been greatly improved recently by a lumbering concern who is developing a road network in the area for the purpose of logging a reported 5 million board feet of lumber. It is doubtful if they intend to keep the road open during the winter.

The steep and rough mine road needs repair and improvement, but it is generally adequate for the proposed exploration program.

COMPETENCY OF THE APPLICANT

The applicants are financially competent and have had previous mining ventures in California. Mr. Mullins, mine contractor, is an experienced miner, as evidenced by observations of his recent work.

APPLICANT'S PROPERTY RIGHTS

The property consists of 8 unpatented mining claims, 3 of which have been surveyed for patent. These are as follows:

Fourth of July	Rose
Merry Blue	Charley A. (unsurveyed)

Four new claims have recently been located and are as follows:

Mary Lee	Mary Lee No. 2
Mary Lee No. 1	Mary Lee No. 3

The first group of claims is owned by Mrs. Margaret Ball and is under option to Mr. R. H. Pfeffer, and the last group has been located by Mr. Pfeffer.

A letter was written to Mr. Selander on August 15 13 1953, requesting the survey map of the three surveyed claims with the approximate location of the unsurveyed claims sketched on this map.

The applicant holds the claims under lease and option to purchase from Pfeffer and parties. The applicant has not been able to secure a consent to lien agreement from the owners, but informed the writer they were planning to purchase the claims outright. The Bill of Sale of this purchase will be forwarded to this office when the sale is made.

DESCRIPTION OF THE PROPERTY

The surface facilities consist of four log cabins all in need of repair.

The upper mine working is partly accessible, but the reported tungsten occurrence is blocked by caved ground. The old lower adit is completely caved for a distance of approximately 150 feet which was evident by surface slump. The new adit to connect the old lower tunnel has been advanced 87 feet through overburden and decomposed granite. The present face is now in solid granite. The new adit is shown on the map the writer copied from that submitted by John R. Cooper and S. E. Claybaugh, Geologists, U. S. Geological Survey, from their memorandum on the Merry Blue mine.

GEOLOGY AND ORE RESERVES

The geology is described in the Cooper-Claybaugh (U. S. Geological Survey) 6-page Memorandum Report, dated August 21, 1943, and is quoted as follows:

"Geology

The country rock of the deposits is granodiorite. The granodiorite is cut by numerous joints and shear zones striking close to east-west and dipping 70° or more in most instances toward the south. The zones are characterized by shearing and subordinate gouge through thicknesses ranging from a few inches to 8 or 10 feet. The thicker zones generally have a strong zone of movement 1 to 4 feet wide and grade into massive granodiorite on the two sides by progressively wider spaced shear planes. Evidently the east-west shears were the passageway for the ore-forming fluid since all known mineralization is confined to them.

"The mineralization consists of vein quartz with occasional streaks and pockets of fluorite, limonite as pseudomorphs after pyrite, wolframite (?), manganese oxide and scheelite. Scheelite is present in minute amounts only. It is confined to the quartz and occurs in tiny grains which are commonly concentrated along fractures. Wolframite (?) and pseudomorphous limonite are found both in the quartz and in the altered granodiorite of the shear zones. The wolframite (?) is shattered and apparently somewhat decomposed. This makes it difficult to identify with assurance particularly since it is commonly associated with manganese stained quartz and other minerals. Tungsten present in scheelite is not in commercial amounts. Thus the ore is commercial only if the questionable dark mineral is actually wolframite. This is locally abundant but spotty in distribution. In some cases, it is best near small fractures which are oblique to the shear zone as a whole. In other cases there is no apparent reason for the localization.

"There are some post-mineral faults but their importance is not yet clear. The only ones in which the direction of displacement is apparent offset the vein so that the eastern segment is displaced northward a few inches with respect to the western segment. The first vein exposed in the main lower adit ends against a fault striking N. 45° E. and dipping steeply NE. It is possible that the vein encountered near the end of the drift is a part of the same vein offset 100 feet on the northeast fault.

"Reserves

All of the scheelite and most of the wolframite (?) is confined to the shoot exposed for 115 feet near the end of the lower adit. This shoot was developed by the two upper levels and by the shaft. Since the walls of the lower adit are largely lagged and the roof almost wholly lagged, it is impossible to determine the average width of the shoot. Three feet is considered a reasonable estimate. On this basis, 29 tons of ore are present per foot of depth (3 x 115 - 12), or roughly 3500 tons developed by the present workings. Perhaps half of this has been mined already. It is reasonable to suppose that a total of 5000 tons could be developed above the lower adit level, as the vein zone is strong in the face of the lower adit. It is here over four feet wide and has good walls. The richest mineralization to be seen in the workings at present is 10 or 15 feet from the face. A sample across 4.2 feet, taken by me 13 feet from the face of the lower adit contained 1.0 percent WO_3 (determination by USGS chemical laboratory).

"The grade of the ore is more difficult to estimate than the tonnage since so little of the shoot is visible and since there is uncertainty in the recognition of wolframite. The lower adit and the level 46 feet above it were sampled for tungsten by P. H. Miller several years ago and more recently by L. W. Reynolds. The results for the lower adit are indicated on the composite level map. The assaying of Reynolds' samples (higher than Miller's results) was done by Walker and Whyte of New York City and checked closely by Ledoux. It is, therefore, considered reliable. The sampling is less reliable. In fact, it is impossible to sample the mine properly because of roof lagging. Both Miller's and Reynolds' results indicate that the intermediate level (Elev. 6246 on map) contains richer tungsten than the lower. Miller cut 6 samples along 80 feet of the "vein" which averaged 1.45 percent WO_3 over 1 foot plus width. He points out that the mineralization continued into the unsampled walls of the "vein". Reynolds cut two samples averaging over 9 percent WO_3 across nearly 3 feet width. Reynolds' figures are probably too high but it is true that wolframite (?) appears to be abundant locally in the sheared granodiorite beside the quartz veins and this may explain the discrepancy in results. In order to check the tungsten content of the granodiorite and to determine the maximum grade which could be obtained by sorting this material, what appeared to be the richest mineralized granodiorite was selected from about 50 tons of ore piled near the main shaft. This sample contained only 0.01 percent WO_3 (determination by USGS chemical laboratory).

"Proper reserve estimates will have to be postponed until the property is more developed and more adequately sampled. The information now available suggests there may be as much as 5000 tons carrying up to 1 percent WO_3."

Concerning the future outlook for the property, Cooper says: "* * * Since the face of the present tunnel is 135 feet below the surface, every foot driven will develop about 50 tons of potential ore as long as the vein retains its width."

The new adit was mapped. The fault mapped by Cooper was present in the adit face. The ground beyond the fault seemed to be in solid granite which will facilitate proposed crosscutting.

HISTORY AND DEVELOPMENT

Past operation is described in the Cooper-Claybaugh report, and is quoted as follows:

"History

The Merry Blue mine was located by George Wise and Joe Goecke as a gold property about 1900. Since that time, the ownership has changed hands several times. The present owners hold the property on a bond and lease from Mrs. Margaret Ball, of Chicago whose husband, now deceased, had purchased it in 1937. A crude mill was built in 1904, and a five-stamp mill built in 1934 was put in working order in 1937 or 1938. The property is said to have produced $158,000 in gold, most of it by means of an arrastre in the early days of development by Wise and Goecke. Tungsten was not discovered until several years ago.

"Development (and Equipment)

The central showing is developed by a little over 1000 feet of drifts and crosscuts on three adit levels as well as by a shaft 128 feet deep connecting the three levels. There are also a number of other shafts, tunnels and pits on the property. Those near the central showing are shown on the geologic map accompanying this report. All accessible workings on the central showing are also shown on the composite level map. Of all the workings on the property, only the main, lower adit could be used in further development. This is 470 feet long and its face is 135 feet below the surface."

AVAILABILITY OF MAN POWER, MATERIAL AND SUPPLIES

The applicant has experienced difficulty in securing adequate man power for the new adit project. The inaccessible location of the mine during the winter will present man power difficulties because men

will be marooned at the mine for about 7 months except for possible winter plane service off the Deadwood reservoir. The writer tried to discourage the applicant from doing winter exploration work.

Material, supplies, and equipment can be secured from Cascade and Boise, Idaho, a distance of 65 miles and 170 miles, respectively.

Drilling water may be present in the mine; if not, a small stream runs a short distance from the portal.

APPLICANT'S PROPOSAL

The applicant submitted an application asking for $76,200 to $100,000, which is much in excess of that needed for exploration of the property.

The writer and the applicant discussed an exploration program, which was agreeable to them. Mr. Selander also discussed the program with Mr. Weissenborn and Mr. Howard.

The proposed exploration project is illustrated on the attached map and consists of the following work:

(1) Assist the applicant in finishing the crosscut from the new adit to the old lower level adit. The present face of the new adit is approximately 170 feet from the desired intersection with the old adit. The applicant is continuing this crosscut at his own expense until a contract is approved at which time the Government will assist in its completion on a unit cost basis.

(2) Rehabilitate the old drift to its face and provide tail space for car and timber storage in the old adit. The rehabilitation distance will be approximately 200 feet which will be done on actual costs.

(3) Drift 350 feet from the face of the old adit along the vein, all on a unit cost basis.

(4) Raise, on a unit cost basis, from a point about 80 feet from the old adit face in the proposed drift to the level above, for a distance not to exceed 55 feet, provided the raises shown on the applicant's map connecting the levels above are caved and do not warrant reopening. It is assumed these raises are caved and would require a greater amount of rehabilitation than the cost of a new raise and for that reason, the rr-foot raise is included. The proposed raise will make one, if not both, of the upper levels accessible for sampling and mapping and no doubt will aid in ventilation. The applicant's sampling data submitted with the application show economical amounts of tungsten in these upper levels.

(5) Allow 50 hours of bulldozing to improve the mine road and for possible snow removal in the spring of 1954.

(6) Allow the cost of assaying 75 samples for gold and tungsten (WO_3) at a cost of $4.00 per sample.

(7) An allowance should be made for consulting service to insure the preparation of a final report.

The amount of drifting on the vein was figured to be 100 feet beyond the downward projection of the east face of the upper level as shown on the vertical section map submitted by the applicant.

The proposed exploration project should prove a sizable block of ore if the samples submitted by the applicant are correct, and if the upper working is made accessible from the proposed raise so mapping and sampling can be done to confirm the ore reserves and possible ore reserves.

OPERATOR'S PROPERTY RIGHTS

The property to be included for royalty payments to the Government should include the complete block of claims listed in the application. When the applicant submits the claim map, any claims not connected to the claims to be explored by the project can be omitted from royalty payment.

EXPLORATION PROJECT

The expected starting date depends on the effective date of the contract; it isn't advisable to begin work after November 1, 1953, due to bad snow and weather conditions. If the contract is not signed before that time, work should not commence before the spring of 1954.

Owing to the inaccessible location of the mine and to the long winters, it will probably take two years to complete the project.

DESCRIPTION OF PROJECT

For description of project, reference is made to the attached memorandum, dated August 14, from T. E. Howard, U. S. Bureau of Mines.

Enclosure (1)

Distribution:
DMEA (Orig. & 3)
USBM (2)
USGS (SRO)
Docket
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 14, 1953

GCD
10/6/53

MEMORANDUM

To: DMEA Field Team, Region II

From: Thomas E. Howard, Mining Engineer

Subject: Docket No. DMEA 2806 (tungsten) Alabama-California Gold Mines Company, Merry Blue Mine, Valley County, Idaho

Mr. Kenneth J. Selander called at this office August 6, 1953 to discuss the estimated costs of work proposed to explore the Merry Blue Mine in Valley County, Idaho. The proposed project includes:

1. Repair existing road

2. Continue driving new adit to bypass cave in old 6200 adit and connect with old drift about 175 ft. back of the face, approximately 170 feet of a new adit.

3. Rehabilitate old drift from point of connection to face, install track and pipe and enlarge as necessary.

4. Drift 350 feet on vein from face of old drift.

5. Raise approximately 55 feet from drift to intermediate level to gain access to that level for examination and sampling.

The applicant has, or will acquire, all the necessary facilities and equipment for the project and would prefer to do as much of the work as possible on a unit cost basis. However, as the section of drift to be rehabilitated is inaccessible and nothing is known of its condition, it is considered that this work item should be on an actual cost basis.

The estimated costs of the project as discussed with the applicant and indicated in the tabulation below are considered reasonable and in line with costs of similar work on other DMEA projects in the Region with comparable operating conditions.

Unit Costs

(1)	520 feet of drift and crosscut (6-1/2 x 4-1/2 in clear) at $32.50	$16,900.00
(2)	200 feet of timbering in drift and crosscut at $5.00	1,000.00
(3)	55 feet of raising 4x9 cross-section, timbered, 2 compartment at $37.50	2,062.50
	Total Unit Costs	$19,962.50

Actual Costs

(1)	Bulldozing for road repair, 50 hours at $15.00, (including all costs of operation and transportation to and from project)	$ 750.00
(2)	Rehabilitation of old adit, approximately 175 feet	3,500.00
(3)	Assaying, 75 samples at $4.00	300.00
(4)	Freight on samples	100.00
(5)	Consulting services	500.00
	Total Actual Costs	$ 8,150.00
	Grand Total	$25,112.50

cc: Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
Engr.

TEH:mp

DMEA-2806

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

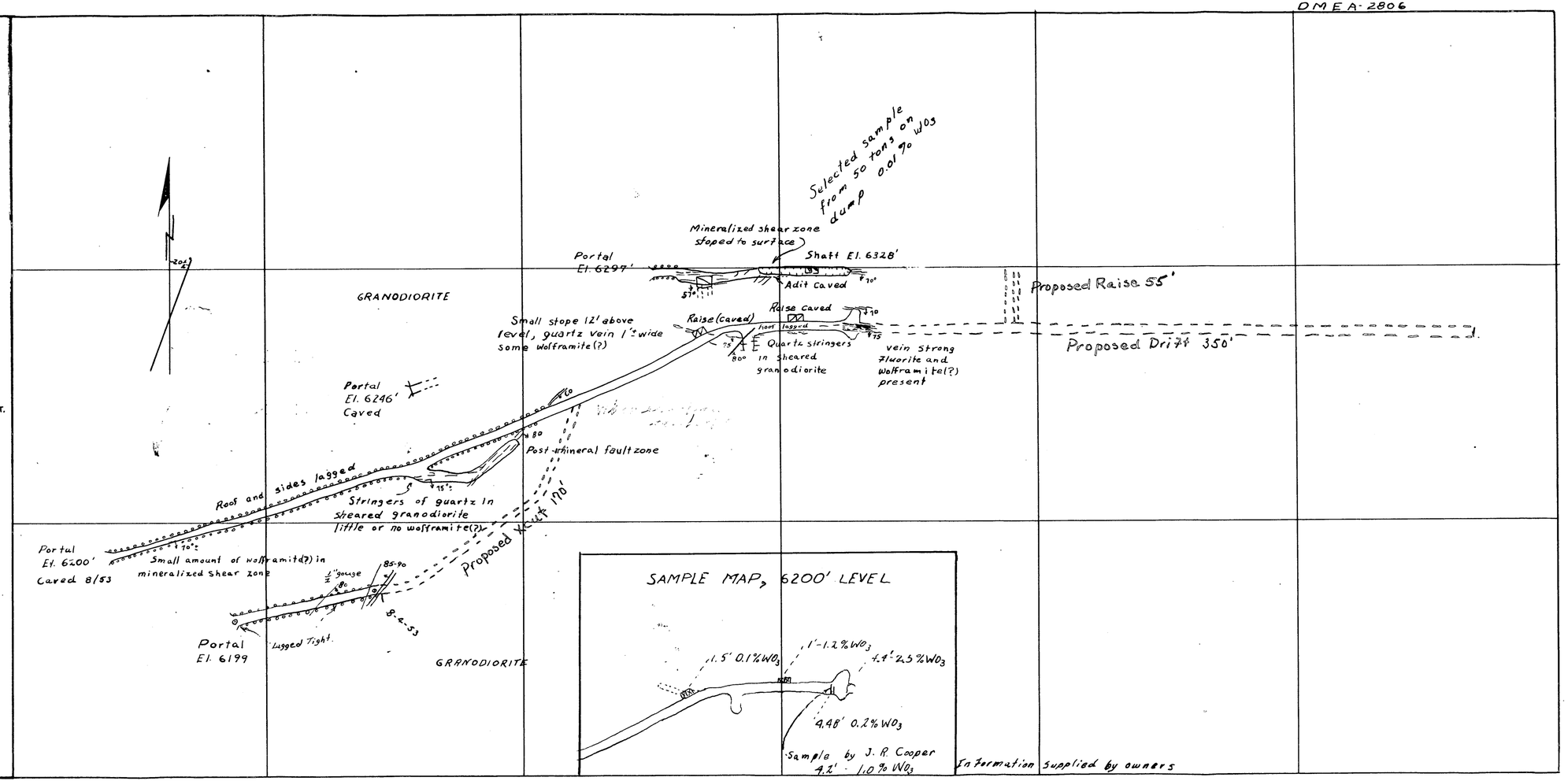
COMPOSITE LEVEL MAP
MERRY BLUE MINE

DEADWOOD DISTRICT
VALLEY COUNTY, IDAHO

JOHN R COOPER and S. E CLABAUGH
AUGUST 21, 1943
AND
H.B. Nickelson Aug 4 1953

SCALE
50 0 50 100 FT.

ELEVATION DATUM ASSUMED



EXPLANATION

SHEAR ZONE

QUARTZ VEIN

Information supplied by owners

Copied by HBN. 8/10/53

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

OFFICIAL BUSINESS

Docket

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

AUG 13 1953

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 13, 1953

WSM

Mr. Kenneth J. Selander
Dexter Horton Building
Seattle 4, Washington

Re: Docket No. DMEA-2806 (Tungsten)
Alabama California Gold Mines
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selander:

Could you please furnish a map of the claims listed in the application and the location of the mine workings on these claims. It was noted while studying the application that three claims have been surveyed for patent, and I hope a map can be obtained of this survey. If the other unsurveyed claim locations are approximately known, please sketch them on this map.

This information will no doubt be required by the Washington office.

Please enclose four copies of this map and mail them to this office.

Yours truly,

Howard B. Nickelson
For: Thor H. Kiilsgaard
Acting Executive Officer
DMEA Field Team, Region II

cc: USBM (2)
DMEA (2)
Nickelson

Copy retained 400

S15

FILE COPY
Surname:

Martin
Ruthly
Geehan
Hedges
Ratledge
Johnson

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

JUL 23 1953

Mr. George O. Nelson
Secretary-Treasurer
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue mine
Valley County, Idaho

Dear Mr. Nelson:

Reference is made to the above-docketed application for exploration assistance which has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. A. R. Weissenborn, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington, for a field examination of the Merry Blue mine.

The Regional Office will contact you at an early date with regard to an examination of your property. Any assistance that you can render the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

FARatledge/jh
7/20/53
cc. to: Docket
Adm. Reading File
Code 400 (2)
Oper. Comm.
Messrs. D. M. Lemmon, USGS
R. W. Geehan, USBM
DMEA Field Team, Region II, (2)

R.G.H.
7-23-53

FILE COPY
Surname:

Martin
Rutledge
Hodges
Selfridge
Johnson

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

JUL 23 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject docket and your letter of July 9, 1953, which states that a field examination will be made as soon as possible.

We will, therefore, hold this application in abeyance until the report and recommendations by the Field Team are received.

Two copies of a memorandum dated Dec. 15, 1952, prepared by M. D. Crittenden, U. S. Geological Survey, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (ALB)

APPROVED:

J. H. Hedges
Member, Bureau of Mines (ALB)

A. R. Kinkel, Jr.
Member, Geological Survey (ALB)

Enclosures:
FARutledge/jh
7/20/53
cc. to: Docket
Adm. Reading File
Code 400 (2)
Oper. Comm.
Messrs. D. M. Lemmon, USGS
R. W. Geehan, USBM
DMEA Field Team, Region II

R.C.G.
7-23-53

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 7/14/53

REFERRED TO:

1. Code 400, Rm. 3538
2.
3.
4.

FOR:

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

REMARKS: Note - our Cards will show this case to be in Reg. till field team report is submitted.
RC

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

RC

GPO 16—63815-1

DOCKET

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

July 9, 1953

Mr. George Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2806 (Tungsten)
Alabama-California Gold Mines Co.
Merryblue Mine
Valley County, Idaho

Dear Mr. Selfridge:

You will recall that in accordance with your letter of June 19, on June 22 we wrote the Alabama-California Gold Mines Company pointing out that we had no word from them concerning their application and that if we did not hear within 30 days, we would consider the application closed. This morning Mr. H. C. Van Valkenburgh, a director of the company, called at my office to discuss the application. He informed me that the reason we had not heard was that they had been unable to get consent to lien agreements from the owner, and they have been negotiating to gain possession of the property. He further informed me that this deal has now been consummated and that the property has now been bought by Alabama-California Gold Mines, Inc. He stated that next week he would send me copies of the agreement that would establish the right of the company to the property.

He further said that rehabilitation of the tunnel has been actively in progress, but inasmuch as he was not a technical man, he was unable to inform me just exactly what had been accomplished to date. I would infer that the rehabilitation is still going on.

A report in our files by John Cooper of the U. S. Geological Survey indicates that the property has some merit. We, therefore, will consider the application reactivated and will plan to make a field examination as soon as possible. I now believe that a field examination is essential in spite of the information available in Cooper's report in order to check on the company's plans and to see at first hand how much of the rehabilitation has been accomplished and how much it will cost to complete, as well as having a general look at the area.

Sincerely yours

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
Nickelson

Copy retained 400

Docket

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 26 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
Spokane 4, Washington

June 22, 1953

Mr. George C. Nelson
Secretary-Treasurer
Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Re: Docket No. [illegible]-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Nelson:

Although your letter of April 29, 1953, states that Mr. Burt Lebron and Mr. VanValkenburgh were to contact me during the week of May 11, no meeting has yet been held to discuss processing your application for DMA assistance. We have never received the information requested from you in our letter of February 14, 1953.

If we do not hear from you within thirty days concerning your plans at the Merry Blue Mine, we will consider your application closed.

July 22nd deadline

Sincerely yours,

[illegible] Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: [illegible]
[illegible]
[illegible]ffett

Copy returned 40U

FILE COPY
SURNAME:

400

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

Rutledge
Martin
Selfridge
Mitchell
Whittemore

JUN 18 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Co.
Merry Kline Mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject project reported in the May progress report from Region II as "awaiting word from applicant."

It would be appreciated if you would inform us of the present status of this docket. Unless the applicants have been in to see you and discussed the case as promised in their letter of April 8, 1953, or have otherwise given you word about their intentions, you should notify the applicants that the case will be closed in 30 days if the requested information is not received.

Sincerely yours,

George C. Selfridge (GCS)

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHH)

A. R. Kinkel, Jr.

Member, Geological Survey (ARK)

FARutledge:foc
6-16-53

6-18-53

cc: Docket
Code 400
Operating Comm.
Adm. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS
FT. REG. II

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 5-29-53

REFERRED TO:

1. Code 400-Proj. 3538
2.
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

R. E. ADAMS

Initials of sender.

GPO 16—63815-1

Region II

OMEA 2806

Alabama - California

Gold Mines Company

Merry Blue Mine

Field exam

pending.

May Progress Report

"awaiting word from applicant"

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Docket

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

April 23, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

WSG

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selfridge:

Reference is made to your letter of March 23, 1953, regarding the above-captioned application.

We are enclosing two copies of a letter received from the subject applicant dated April 8, 1953, which, we believe, is self-explanatory.

Sincerely yours,

A E Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Copy retained 400

Enclosure

cc: USBM (2)
Nickelson

B.O. Nelson's letter was dated 4/8. Two weeks thereafter ended 4/22 — yet Weissenborn's letter 4/23 gives no indication that the applicant has called at the regional office to give the data. L.S. 4/28

This is something to take up with W — when he comes in this week.

ALABAMA - CALIFORNIA
GOLD MINES COMPANY
1507 White Bldg.
SEATTLE 1, WASHINGTON

1

April 8 1953

United States Department of Interior
Defense Minerals Exploration Administration
South 137 Howard Street
Spokane 4, Washington.

Gentlemen: Re: Docket No. DMEA-2806 (Hampton) Merry Blue Mine
Valley County, Idaho.

Attention, Mr. A. E. Weissenberg, Executive Officer.

In reply to your letter of March 10th will state that Mr. H. C. VanValkenburgh has just returned to Seattle after an extended absence and is now taking action to complete the loan application.

Mr. VanValkenburgh and Mr. Bert LeBron will call on you within two weeks and discuss the matter with you.

Thanking you for the interest taken and assuring you we will process the application as soon as possible, I remain:

Very truly yours,

Secretary-Treasurer.

GON:MH

400

FILE COPY
SURNAME:

Rutledge
Martin
Selfridge
Feldman

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

MAR 23 1953

Air Mail

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 2806 - Tungsten
Alabama-California Gold Mines Company
Merry Blue Mine
Valley County, Idaho

Dear Mr. Weissenborn:

Reference is made to the subject docket and your letter of March 10, 1953, to Mr. George O. Nelson, Secretary-Treasurer of the above mining company.

We will be unable to transfer the referenced application to the inactive files and close the docket immediately, since your letter gave notice to the applicant that if still interested in exploration assistance, he should reply by April 13, 1953.

Please advise us on April 14, 1953, if no information has been received in order that we may then close this docket.

Sincerely yours,

George C. Selfridge (JLB)
Chairman, Operating Committee

J.H. 3/23/53

Approved:

J. H. Hedges (JLB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JLB)
Member, Geological Survey

cc: Docket
Field Team, Region 2
Code 400
Operating Committee
Admn. Read. File
R. W. Geehan, USBM
D. M. Lemmon, USGS

WSMartin :FARutledge/hhb
3/19/53

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

March 10, 1953

WSM

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Re: Docket No. DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Selfridge:

Since receiving the application from the Alabama-California Gold Mines Company, we have unsuccessfully tried to get additional information from the company. Inasmuch as we have rather complete information on the property, we could probably process the application without further field examination if we could receive the pertinent information.

As the enclosed copy of the letter of March 2, 1953, from Mr. Nelson, Secretary-Treasurer of the company, will indicate, the company apparently has not wholly made up its mind whether they will go through with the DMEA application or not, partly because they are having difficulty obtaining an Owner's Consent to Lien. I, therefore, believe that this application should be considered inactive and cleared off the books until such time as the company sees fit to revive it.

CAN'T BE DONE TILL APR. 13

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM(2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
No. 157 Howard Street
Portland 1, Washington

March 11, 1953

Mr. George W. Nelson
Secretary-Treasurer
Plate a-California Gold Mines Co.
1507 White Building
Seattle 1, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Re: Contract No. [illegible]-2[illegible] (Nevgstem)
Perry Blue Line
Valley County, Idaho

Dear Mr. Nelson:

This will acknowledge your letter of March 2, 1953.

In reply, I must advise you that the purchase price of the property cannot be included as a cost of exploration. You imply that there is some doubt the directors of the company will take further action in regard to the loan application. Therefore, if we do not hear from you by April 13, we shall assume that you are no longer interested in obtaining a contract and will consider your application withdrawn. If you wish to have it acted upon, you should furnish us immediately with the information we have requested in my letter of February 12.

With this information, we probably would be able to process the application quickly.

Sincerely yours,

[illegible]
Executive Officer,
Field Team, Region [illegible]

cc: Samuel [illegible] Martels
[illegible] Box 97
South Sioux City, Neb.

DMEA(2) w/encl. (letter fr. Nelson dated 3/2/53.
USBM(2)
Nickelson

COPY

COPY

ALABAMA-CALIFORNIA
GOLD MINES COMPANY
5507 White Building
Seattle 1, Washington

March 2, 1953

United States Department of the Interior,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Attention: Mr. A. E. Weissenborn
Executive Officer

Gentlemen:

Re: Docket DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho.

Copy of your letter to Mr. Russel M. Bartels, of February 14th, duly received. Mr. Bartels has been furnished certain information and we believe has secured the balance for completing the application for loan. However, I have been in correspondence with the owner of the property from which this company is purchasing it and she refuses to sign a waiver of lien.

The tunnel work stopped last December due to illness of the contractor handling this, before being half finished. Because of the heavy snows no action has been taken to put another crew in there. However, this tunnel will undoubtedly be completed before the roads are opened about July 1st.

It will probably be some time before the Directors of this Company decide as to whether any action should be taken to complete purchase of the property in order to complete the loan application. Will you please advise whether it is possible to include the $20,000 purchase price of this property in a loan application to your Department.

Yours very truly

ALABAMA-CALIFORNIA GOLD MINES COMPANY

/S/ GEORGE O. NELSON
Secretary-Treasurer.

GON:HH

CC Russel M Bartels
P O Box 97
South Sioux City, Neb.

COPY

COPY 2806

Docket

ALABAMA-CALIFORNIA
GOLD MINES COMPANY
5507 White Building
Seattle 1, Washington

March 2, 1953

United States Department of the Interior,
Defense Minerals Exploration Administration,
So. 157 Howard Street,
Spokane 4, Washington.

Attention: Mr. A. E. Weissenborn
Executive Officer

Gentlemen:

Re: Docket DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho.

Copy of your letter to Mr. Russel M. Bartels, of February 14th, duly received. Mr. Bartels has been furnished certain information and we believe has secured the balance for completing the application for loan. However, I have been in correspondence with the owner of the property from which this company is purchasing it and she refuses to sign a waiver of lien.

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It will probably be some time before the Directors of this Company decide as to whether any action should be taken to complete purchase of the property in order to complete the loan application. Will you please advise whether it is possible to include the $20,000 purchase price of this property in a loan application to your Department.

Yours very truly

ALABAMA-CALIFORNIA GOLD MINES COMPANY

/s/ GEORGE O. NELSON
Secretary-Treasurer.

GON:HH

CC Russel M Bartels
P O Box 97
South Sioux City, Neb.

Docket

COPY

From "The Mining and Industrial News", January 1953, Vol. 21, No. 1, Page 3.

DMEA 2806

ALABAMA-CALIFORNIA
IN IDAHO TUNGSTEN

Work was started recently at Merry Blue Tungsten mine in Idaho by Alabama-California Gold Mines Co., of Seattle, Wash., which has acquired control of the property. Annoucement of the purchase was made by David Pryde, president of the company, which operated the Alabama gold mine in Placer county, Calif., prior to World War II.

At the same time, H. C. Van Valkenburgh, chairman of the board of Alabama-California Gold mines, announced that the firm has acquired controlling interest in the Gando Mines of Honshu, Japan. Shipments of ore concentrates are being made from the Japanese property to Seattle.

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

See appl. 5 509 White Bldg Seattle 1, Wash

February 14, 1953

WSM

Mr. Russel M. Bartels
Alabama-California Gold Mines Company
P. O. Box 97
South Sioux City, Nebraska

moved

Re: Docket DMEA-2806 (Tungsten)
Merry Blue Mine
Valley County, Idaho

Dear Mr. Bartels:

We received a copy of a letter dated December 19, 1952, from Mr. George Selfridge to you requesting that you submit certain additional information concerning the Merry Blue Mine in Valley County, Idaho, but as we have heard nothing further, we assume that this information has not yet been sent to Washington.

We have in this office considerable information on the Merry Blue Mine. We may, therefore, be able to make a recommendation of the property without waiting for a field examination which probably cannot be made for another couple of months because of weather conditions. However, to do this we would require the following information.

Under 4(a) "Physical description" you mentioned a crosscut that was 30 percent finished last summer. The crosscut was driven to bypass and shorten a haulageway. Will you please indicate on the map the location and direction of this crosscut, the footage driven to date, and the distance it will have to be driven to intersect the vein or old workings? Is it the same elevation as the lower tunnel? Do you want DMEA aid in completing this crosscut or will it be completed by your company?

On page 5 under "Conclusions and Recommendations" of Mr. Lynch's report he mentions under (5) "Drive a short crosscut south on the Lower Level in the vicinity of the ore shoot." Is this crosscut planned to cut the vein that you suspect lies in the hanging wall of the lower tunnel? Please locate this crosscut, give the approximate length and the reason for crosscutting.

Mr. Lynch recommends driving east on the vein from the lower tunnel. Approximately how far east do you plan on driving?

Copy retained

Where do you plan on putting the shaft? What size shaft do you plan sinking?

How much drifting do you plan on doing at the bottom of the 125-foot winze or shaft?

Do you own any of the equipment listed under "Equipment" or will it all have to be purchased or rented?

In addition, you should supply the information requested in Mr. Selfridge's letter especially that concerning the book and page number of recording of the Fourth of July, Merry Blue, Rose and Charley A mining claims, and the Owner's Consent to Lien forms which were sent to you by Mr. Selfridge. If you could submit this information, I believe that we would have sufficient data to complete the processing of your application without the necessity of a field examination. In any event, this information would shorten our work considerably even if an examination had to be made.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

DMEA (2)
USBM (2)
Nickelson

FILE COPY
SURNAME:

Chapman
Martin

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

Returned 3-16-53. "Moved, left no address." Present to 5507 White Bldg Seattle 1, Wash.

FEB 12 1953

Mr. Russell W. Bartels
Alabama-California Gold Mines Company
P. O. Box 97
South Sioux City, Nebraska

Re: Docket No. DMEA 2806 - Tungsten
Merry Blue Mine
Valley County, Idaho

Dear Mr. Bartels:

We wrote you on December 19, 1952, requesting further information concerning your application for exploration assistance on the subject property.

As soon as we receive the requested data we will continue with the processing of your application. If you do not desire to proceed with the application will you please advise us as soon as possible.

Sincerely yours,

SIGNED

W. S. Martin, Acting Chief
Iron and Ferro-Alloy Division

R.H.
2-12-53

cc: Docket
Field Team, Region 2
Code 400
Admn. Read. File
R. W. Geehan, USBM
D. M. Lemmon, USGS

TLChapman/hhb
2/11/53

Omea 2806-
MW

RUSSELL W. BARTELS
ATTORNEY AT LAW

Alabama-California Gold Mining Co.
Idaho

TLChapman'lm
12/18/52

FILE COPY
SURNAME:

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

Chapman
Selfridge

Cc: Admin. Reading File
Docket
R. N. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. II
G. C. Selfridge
T. L. Chapman

DEC 19 1952

Mr. Russel W. Bartels
Alabama-California Gold Mines Company
P.O. Box 97
South Sioux City, Nebraska

Re: Docket No. DMEA 2806 - Tungsten
Merry Blue Mine
Valley County, Idaho

Dear Mr. Bartels:

We are in receipt of your application for exploration assistance on the above-noted project.

In order to continue with the processing of this application, we will need more definite information as follows:

1. Please send us the book and page number of record on the Fourth of July, Merry Blue, Rose and Charley A mining claims.

2. Send us a sketch showing the location of the new work.

3. In the costs, please itemize the costs as outlined in Item 6 of the MP-103.

4. What equipment do you have on hand at the present time? If it is owned by the Company, only depreciation is allowed. The allowable rate is one-sixtieth (1/60) of the value for each month in use.

5. We will need an "Owner's Consent to Lien" from the owner, Margaret M. Ball. We are enclosing seven copies of this form. Will you please have the owner sign all these copies and return six copies to us here in Washington.

We are enclosing DMEA Order-1 and our booklet of Questions and Answers.

Sincerely yours,

George C. Selfridge

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

Enclosures

12-19-52

IN REPLY REFER TO:

G-MD-CF

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

December 15, 1952

GCS
12/18/52

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

To: G. C. Selfridge

From: M. D. Crittenden

Subject: DMEA 2806, Tungsten
Alabama-California Gold Mines Company
5507 White Building
Seattle, Washington

The Property

The Merry Blue mine is in S. 22, T. 12 N., R 7 E., Valley County, Idaho. It is controlled by the applicant Corporation, through a lease held by the principals of the company from the owner, Margaret E. Hall.

The Proposal

The applicants propose to spend $76,800 to equip and develop a property known as the Merry Blue mine. This figure includes a camp and mining facilities, as well as the cost of 125 feet of sinking at $200 per foot, and 620 feet of drifting at $20 per foot. The engineering report that accompanys the docket indicates that they expect to:

1. Bull-doze road from highway to mine.
2. Bull-doze Lower Level portal open.
3. Make surface cuts to count for assessment work and prospect for parrallel veins.
4. Install compressor and equipment.
5. Drive short cross cut south on Lower Level in vicinity of ore shoot.
6. Drift east on Lower Level.
7. Sink winz or shaft 125 feet deep.
8. Drive Level at 125 feet in winz or shaft.

Source of Information

The deposit was examined and sampled by J. R. Cooper and

Copy retained 400

S. E. Clabaugh of the Geological Survey in August 1943. At that time the lower level had been reopened by the operators, but other workings were inaccessible. The following summary of the geology and ore deposit is based on information reported by Cooper and Clabaugh.

Development

In 1943, the property was developed by a little over 1,000 feet of drifts and crosscuts on three adit levels, and by a shaft 128 feet deep connecting the three levels. Only the lower level was accessible then; and has caved again since. The applicant reports that work has begun on a new adit to provide access to the ore on the lower level, but it was only 30 percent complete. Since the maps do not indicate the location or the length of the work involved, this doesn't necessarily mean much. Information on this work should be provided by the applicant.

Geology

The deposit is in a series of shear zones in granodiorite that strike east and dip south 70 degrees or more. Mineralization in the shears consists of vein quartz with occasional streaks and pockets of fluorite, limonite (after pyrite), wolframite, manganese oxide, and minute amounts of scheelite. Scheelite is confined to the quartz, wolframite occurs both in the quartz and in the altered granodiorite of the adjoining shear zone.

One ore shoot is exposed for a distance of 115 feet near the end of the lower adit. Though the back is lagged, it is estimated that the average thickness of the vein is 3 feet, and on this basis, 29 tons of ore would be present per foot of depth, or roughly 3500 tons development by the present workings. Perhaps half of this has been mined, thus there are inferred reserves of 1500 to 1700 tons in present workings. Additional ore might be revealed by extending the lower adit, and below the lower level.

The grade was difficult to estimate because of the timbering. Company samples 1 to 4 feet in length showed .1 to 2.5 percent WO_3 near the face of the lower adit. A sample of 4.2 feet there taken and assayed by the Survey ran 1.0 percent WO_3. On the basis of this, and other samples by the company, Cooper estimated the grade of the 5000 tons to be about 1.0 percent WO_3. No assays were run for gold.

Comment

Inasmuch as the old workings are no longer accessible, and the work recently begun has not yet reached the vein, there is nothing

to be gained by a field referral at this time. The exploration proposed is too indefinite and should undoubtedly be set up in two or more stages, beginning first on the already existing level, then extending deeper if results warrant. Similarly, costs are unrealistic and not designed for exploration. If operation actually is already under way on a new adit, the cost of exploration should be materially reduced by using existing equipment on a rental basis.

Recommendation

The applicant should be requested to submit a realistic and specific exploration program, including a breakdown of cost. The first objective should be to reopen the lower level and do an adequate sampling job on the ore shoot partly exposed in 1943. If the applicants' cost estimates are reasonable (say $5,000 to $10,000), I would recommend approval, assuming the field team finds that the proposal is feasible and the applicant is competent.

More extensive exploration should depend on the result of this preliminary step.

M. D. Crittenden Jr

M. D. Crittenden

December 10, 1952

Mr. Russell W. Bartels
P. O. Box 97
South Sioux City
Nebraska

Subject: DMEA-2806
Re: Exploration Assistance
Merry Blue Mine

My dear Mr. Bartels:

The receipt of your application dated December 8, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2806 and referred to the Iron and Ferro-Alloys Division.

Kindly refer to DMEA-2806 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams, Chief
Operation's Control and
Statistics Division

25451

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Form Approved
Budget Bureau No. 42-R1035.2.
RECEIVED
DEC 10 1952

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. DMEA-2806
Metal or [redacted]
Date Received 12/10/52
Estimated Cost
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: See Attached

Alabama-California Gold Mines Company

(*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

See Attached

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

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

(*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

(*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*) [redacted] the mineral or minerals for which you wish [redacted] explore .....

See Attached

(*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 ..... days and be completed within ..... 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 December 8, 195[illegible]2

Alabama-California Gold Mines Company
(Applicant)

By Russell W. Bartels
Russell W. Bartels

Agent and Attorney

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 1

1. Name of Applicant:

(a). Alabama - California Gold Mines Company
5507 White Building
Seattle 1, Washington

(b). It is a corporation, incurporated under the laws of the State of Washington.

(c). The Officers and Directors are as follows:

President	-	David E. Pryde Hoquiam, Washington
Secretary-Treasurer	-	George O. Nelsom 5507 White Building Seattle, Washington
Vice-President	-	L. E. McKendry 24 California Street San Francisco, California
Director	-	Ray Bordeaux Olympia, Washington
Director	-	H. C. Van Valkenburgh 2001 - 28th Street West Seattle, Washington

labama - California Gold Mines Co.
507 White Building
eattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City,
Nebraska

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 3

3. Applicant's Property Rights:

(a). Location to be explored is in

Section 22, Township 12 North, Range 7 East, Boise Meridian. It is 1 1/2 miles east of the Deadwood Reservoir. See attached contract.

(b). This property is known as the Merry Blue Mine.

It consists of 8 unpatented mining claims, 3 of which have been surveyed for patent. They are: Fourth of July, Merry Blue, and Rose surveyed and Charley A, unsurveyed. Four new claims have just been located and are as follows:

"Mary Lee", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, Under No. 43307 in Book 13 of Quartz Location Notices at page 241, and by this reference made a part hereof; and

"Mary Lee No. 1", the location notice of which was recorded in the office of the county recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43308 in Book 13 of Quartz Location Notices, at Page 242, and by this reference made a part hereof; and

"Mary Lee No. 2", the location notice of which was recorded in the office of the county recorder of Valley County, State of Idaho, on the September 7, 1951, under No. 43309 in Book 13 of Quartz Location Notices, at Page 243, and by this reference made a part hereof; and

"Mary Lee No. 3", the location notice of which was recorded in the office of the county recorder of Valley county, State of Idaho, on September 7, 1951, under No. 43310 in Book 13 of Quartz Location Notices, at Page 244, and by this reference made a part hereof:

Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City,
Nebraska

Instruction 3 Continued

(c). The interest of Alabama- California Gold Mines Company is that of purchaser under contract.

(d). A copy of the contract is attached.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 4

4. Physical description:

(a). Due to the fact that the portal and a portion of the tunnel had caved down, it was concluded that this property could be reopened more economically by starting at a point closer to the anticipated ore and driving a new tunnel. Accordingly, in October, 1952, Alabama-California Gold Mines Company entered into a contract to have the proposed tunnel driven and placed a crew on this property under said contract. This tunnel is now about 30% complete. All operations on the property are in the sole interest of applicant, Alabama-California Gold Mines Company.

There is a good road from Cascade to Stibnite, which is kept open throughout the year. From a point named landmark, there is a good forrest road to the Merry Blue Mine, a distance of about 20 miles. Whether or not this road is open depends upon snowfall and local conditions. Airplanes can be used between Cascade and the Merry Blue, as landings can be made with skies on the Deadwood Reservoir in winter and with floats in summer. The mine is 1 1/2 miles east of the Upper End of this Reservoir.

(b). In the past this mine has been operated entirely as a Gold Mine. It is reported, that over $90,000.00 in gold was taken out of the property. No information is available as to ore reserves. The best information available is shown in the sampling chart attached to this application.

(c). Geologic features, mineralization, etc. is best shown by the geologic engineering report hereto attached and incorporated into this application.

(d). Facts to the accessibility are shown in the attached engineer's report.

(e). The Availability of manpower, materials, supplies, equipment, water, etc. are best shown in the engineering report.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 5

5. The Exploration Project:

(a). It is proposed to explore this property for Tungsten.

(b). As shown by the foregoing geological report, map, and sampling done on this property there is reason to believe that there is a substantial body of tungsten producing ore on this property.

(c). The work has already started on this property, having been commenced in October 1952, and will be completed within seven months of the date of an exploration project contract.

(d). The applicant for many years operated the Alabama-California Gold Mine at Auburn, Oregon. Many of the same officers and directors who operated and successfully carried on the Gold Mining operations are still associated with the company. While he is not currently an officer of the company, Mr. P. F. Knight of Tacoma, Washington who has had extensive mining experience will participate in the supervision of this project. The services of H. Grattan Lynch, Geologist and Mining Engineer will be used as a consultant. Mr. Lynch is a widely and well-known mining engineer.

Alabama-California Gold Mines Company
5507 White Building
Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City
Nebraska

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 6

6. Estimate of Costs:

The following is a detailed estimate of the costs of the proposed project:

EQUIPMENT

Diesel Electric Plant	$ 4000.00	
Compressor	8000.00	
Truck	1800.00	
Pick Up Truck	1800.00	
3 Drills	1500.00	
Hose, Drill steel, bits	1000.00	
Hoist	1800.00	
Air Locomotive for tramming	1800.00	
Slusher for mucking	2000.00	
Rail and pipe	3000.00	
Mine cars	500.00	
Mine buckets	100.00	
Shop and tools	1000.00	
Sinker pump	600.00	
Camp and equipment	5000.00	$ 33,900.00

DEVELOPEMENT AND WORK

Preliminary work and bulldozing	2500.00	
Sink 125 feet at $200.00 per ft.	25000.00	
Drift 620 feet at $20.00	12400.00	
Overhead, supervision, accounting.	3000.00	$ 42,900.00
Total		$ 76,800.00

Alabama-California Gold Mines Company
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DEFENSE MINERALS EXPLORATION ADMINISTRATION

Instruction 7

7. Alabama-California Gold Mines Company has sufficient cash on hand to furnish its share of the costs of the proposed project and proposes to furnish its share of the costs in money.

Alabama-California Gold Mines Company
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Seattle 1, Washington

Russell W. Bartels
P.O. Box 97
South Sioux City
Nebraska

C O P Y

H. GRATTAN LYNCH
Geologist & Mining Engineer

2790 Bayside Walk
San Diego, California

P.O. Box 841
Nogales, Arizona

September 7, 1951

MERRY BLUE MINE

Valley County, Idaho

This report is based on an examination that I made in 1942, and a study of a report and sampling done by Benoni Lockwood, Jr. while working under my direction in 1937. At the time of my visit the mine was caved but it was open when Lockwood made his examination.

SUMMARY: The Merry Blue Mine is located in the central part of Idaho which is productive of Tungsten and Gold. Operating conditions are difficult due to snow, but they are not impossible as is evidenced by the successful operations in the same area by the Bradley Mining Company at Stibnite, and the How Sound Company at Forney, Idaho.

Narrow veins of gold and tungsten bearing guartz cut thru granite. Several are present but one has been opened by tunnels and a raise. Samples indicate that the ore will run about 0.60% WO3 and 1.25 ounces gold per ton. At the present time this has a gross value of about $81.00 per ton.

The expenditure of $76,000.00 will equip the property and develop it to a point where a decision to build a 50 ton mill can be made.

This is one of the better mining prospects. The ore is of good grade and can be mined at a nice profit. The expenditure of money to develop the property is recommended.

LOCATION: The Merry Blue Mine is situated in the Deadwood Mining District, Valley County, Idaho, about 48 miles by road in a southeasterly direction from Cascade, a railroad station, and 58 miles southerly from Stibnite, Idaho.

More specifically it is located in Section 22, Township 12 North, Range 7 East, Boise Meridian. It is 1 ½ miles east of the upper end of the Deadwood Reservoir.

PROPERTY: The property consists of 8 unpatented mining claims, 3 of which have been surveyed for patent. They are: Fourth of July, Merry Blue and Rose which are surveyed, and Charley A. which is unsurveyed. Four new claims have just been located mentioned as follows: Mary Lee, Mary Lee No. 1, Mary Lee No. 2 and Mary Lee No. 3. The first mentioned four claims are owned by Mrs. Margaret Ball and are under option to Mr. R. H. Pfeffer. The last four have been located by him.

HISTORY: The mine was operated in the 1920's by A Mr. McMillian and partner as a gold mine. They are said to have removed $90,000.00. Mrs. Margaret Ball's husband acquired the mine in 1930 and worked it for one year. He died in 1931 leaving the property to Mrs. Margaret Ball, who has kept up the assessment work and done a small amount of high grading ever since. There are no authentic records of the production.

In 1936 an engineer from Boise named P. H. Miller examined the mine and sampled it for gold. While sampling he recognized the presence of tungsten and had a composite sample run and this returned 1.85% WO3.

In 1937 Mr. Benoni Lockwood, Jr. was drilling some placer in that vicinity. The Merry Blue was brought to his attention by Judge J. B. Eldridge who had a copy of P. H. Miller's map and assays. Lockwood examined and sampled the mine but because it was then very late in the fall, the future of the tungsten market was uncertain and we were pretty well occupied in developing another mine, the property was not acquired.

The mine was optioned late in 1942 by L. W. Reynolds, a promoter, who after raising enough money to build a road to the mine, put up one camp building and open the tunel, folded up.

Because of the present prices of tungsten and the government guarantee for a future price, Mr. Pfeffer and I became interested in the mine, reviewed the reports and Mr. Pfeffer optioned the Merry Blue Group and located additional claims surrounding it.

MINING FACILITIES: Transportation: There is a good road from Cascade to Stibnite which is kept open throughout the year. From a point named Landmark there is a good forest road to the Merry Blue Mine, a distance of 20 miles. This road is not kept open in winter so it would be necessary for anyone operating the Merry Blue to keep the road open from November 1, to June 31.

Airplanes can be used between Cascade and Merry Blue as landings can be made with skis on the Deadwood Reservoir in winter, and with floats in summer.

POWER: During the development period it will be necessary to use either gasoline or diesel power. At the Hall Interstate Mine, now closed, which is 10 miles distant on the Landmark road, is a hydro-electric plant which operated the Hall Interstate Mine which was a 100 ton per day operation. This is available.

TIMBER: There is some good timber on the property and there are several lumber mills in the vicinity.

WATER: A small stream of water sufficient for domestic and metallurgical purposes crosses the property.

LABOR: Inasmuch as the Bradley Mining Company has a large operation at Stibnite and there are small mines in the Boise Basin there should be a supply of trained miners.

HOUSING: At present there is one good cabin, large enough for a development crew, on the property. At the Hall Interstate Mine is a complete camp which has been turned into a dude ranch but it closes during the winter. Arrangements can probably be made to use it for the winter if necessary, and to truck the crew to the Merry Blue.

CLIMATE: The region is one of short pleasant summers and long winters with heavy snow fall. It is possible to keep roads open and to work during the winter but preparations must be made. Successful year round operations are conducted at Stibnite which is 58 miles north, and at the Howe Sound Company's cobalt mine, Calera, Which is about 100 miles northeast in Lemhi County.

GENERAL GEOLOGY

Deadwood Basin is in the Central Idaho area of granite, gneiss and schist. The underlying rock at the Merry Blue is granite which is rather weathered and soft on the surface. There appear to be several veins which strike roughly east-west and dip from 70 to 75 degrees south. The veins are filled with white quartz, wolframite, ferberite and scheelite. There is very little sulphide in evidence but it may show more at depth. There is some free gold. The veins measure from 1.0 to 4.0 feet in width. Prospecting both on the surface and underground is limited.

WORKING

The mine contains various tunnels and open cuts but the principal workings are three tunnels connected by a raise which formerly continued to the surface but is now caved.

The lower level is 480 feet long. It enters thru soft ground, runs in an easterly direction, encounters a vein at 395 feet, and follows it for a distance of 85 feet. The portal is now caved. There is a sub level 40 feet above the Lower Level. It is 190 feet long and the vein has been stoped for a length of 120 feet along it.

The Upper Level is 360 feet Long. A section 120 feet long has been stoped thru it from the Intermediate Level, and some small stopes have been started further to the east. The portal of this tunnel is also caved.

The mine is equipped with rail and pipe. There is a small compressor but no engine.

The tunnels could be opened in a few days by a bull dozer, as the surface is gently sloping and is decomposed granite.

ORE BODIES AND VALUE

The vein or veins were originally mined for gold. The one stope was 120 feet long by 120 feet high and probably 3 feet wide, and probably contained about 3600 tons which, according to reports, returned $90,000.00 or about $25.00 per ton when the price of gold was $20.67 per ounce. This would mean that the ore averaged about 1.25 ounces per ton.

Miller's map contains 11 gold assays but showed no widths. The numerical average of these assays is $80.40 per ton. If the average width of 1.2 feet obtained by Lockwood is used, and the values reduced to a stoping width of 3.0 feet, the values would be reduced to $32.16, and a recovery of 80% would bring the value to the reported $25.00 per ton.

Miller reported 1.85% WO3 from his composite sample, and Lockwood reported 1.2% WO3 from his 12 samples. This would indicate that Miller's work was well done and can be accepted.

Lockwood did not assay for gold but cut 6 samples on the Upper Level and 6 on the Lower Level which were assayed for tungstem with the following results:

Level	Length of vein sampled	Average width	Assay WO3%
Upper	70 ft.	1.2 ft.	1.45
Lower	100 ft.	2.2 ft.	1.15

There was some doubt in Lockwood's mind that the Upper and Lower Levels were on the same vein. He had a feeling that the vein of the Upper Level would be found in the south wall of the Lower Level. A section thru the workings shows that the Upper Level vein would have to increase in dip considerably to be in the Lower Level and there is a good possibility that it is the south wall of the Lower Level and Nevertheless the vein of the Lower Level contains tungsten ore of commercial value under present prices. The east face is exceptionally promising with assay of 2.5% WO3 across a 4 foot width.

These veins should be mined with a maximum dilution of 50% which would make the stopes run from 3 to 4 feet wide and product which would assay as follows: 0.60% WO3, and 1.25 oz. gold per ton, or a value of $81.00 per ton.

It is possible that the dilution would be less and the grade of ore higher because Lockwood reported that the wall rock contained tungsten and that additional sampling may show additional ore. This is illustrated by two sets of samples, 4 and 5, and 10 and 11:

		Width	WO3%
No. 4 -	Raise 100 ft. from face (quartz vein)	1.5'	0.10
No. 5 -	Footwall of No. 4 (Heavily mineralized granite)	2.0'	1.2
	Total and Average	3.5'	0.75%
No. 10 -	Narrow quartz vein in Raise	1.0'	1.2
No. 11 -	Granite footwall of above	1.7'	0.9
	Total and Average	2.7'	1.0

There is no blocked ore but there appears to be one shoot 120 feet long with a possible extension of 70 feet. If this were mined to a width of 3 feet it would produce 4000 tons per 100 ft. of depth. Lockwood reported that both ends of the Lower Level "were open" meaning that the ore continues in both directions, so it is quite possible to develop other ore along the strike of the vein. This and the possibility of developing parallel veins increases the tonnage possibilities.

C O P Y

METALLURGY

Because of the presence of scheelite, wolframite, and ferberite Lockwood had some misgivings as to separating the minerals into a salable product. This is not difficult as wolframite and ferberite are magnetic and can be pulled away from the scheelite with a Dings Magnetic Separater. The concentration can be made with tables and the gold amalgamated.

CONCLUSIONS AND RECOMMENDATIONS

The Merry Blue Looks very favorable for the development of a small high grade mine which can be operated at a nice profit. The ore contains good values in both gold and tungsten so it contains a hedge against any decrease in the price of tungsten. The present price of tungsten is guaranteed by the Government at $63.00 per unit.

Until the operation is well organized there will be some difficulties due to snow and long distance from rail, but these can be overcome as is evidenced by the successful operation of the Bradley Mining Company at Stibnite and the Howe Sound Company near Forney, Idaho. Both of these mines are located in areas where climatic conditions are similar to Merry Blue.

Because the heavy snow commences in late November, work should start immediately and the following should be done:

1. Bull-doze road from highway to mine.
2. Bull-doze Lower Level portal open.
3. Make surface cuts to count for assessment work and prospect for parallel veins.
4. Install compressor and equipment.
5. Drive short cross cut south on Lower Level in vicinity of ore shoot.
6. Drift east on Lower Level.
7. Sink winze or shaft 125 feet deep.
8. Drive Level at 125 feet in winze or shaft.

The approximate cost of this work will be:

EQUIPMENT

Diesel Electric Plant	$ 4000.00
Compressor	8000.00
Truck	1800.00
Pick Up Truck	1800.00
3 Drills	1500.00
Hose, drill steel, bits	1000.00
Hoist	1800.00
Air Locomotive for tramming	1800.00
Slusher for mucking	2000.00
Rail and Pipe	3000.00
Mine Cars	500.00
Mine Buckets	100.00
Shop and Tools	1000.00
Sinker Pump	600.00
Camp and Equipment	5000.00
	$33,900.00

C O P Y

DEVELOPMENT AND WORK

Preliminary work and bull-dozing	2500.00
Sink 125 feet at $200.00 per ft.	25000.00
Drift 620 feet at $20.00	12400.00
Overhead, supervision, accounting	3000.00
	$ 42,900.00

This makes a total of $76,800.00, but there should be provided $100,000.00 so that operations could continue into next summer while a mill is being constructed.

The above program would require about 7 months to complete but a decisions to build a mill could probably be made so that construction could start early in the summer of 1952.

Very truly yours,

H. Grattan Lynch

C O N T R A C T

THIS INDENTURE AND AGREEMENT, entered into by and between P. F. KNIGHT , joined in by his wife, GLADYS D. KNIGHT, H. G. LYNCH, joined in by his wife, AVIS LYNCH, and R. H. PFEFFER joined in by his wife, DOROTHY C. PFEFFER and R. H. PFEFFER As Executor of the estate of Thelma Pfeffer, deceased, hereinafter referred to as "Vendor", and ALABAMA-CALIFORNIA GOLD MINES COMPANY, a Washington corporation, hereinafter referred to as "Vendee",

W I T N E S S E T H:

WHEREAS, Vendor have possession of certain mining claims known as the Merry Blue Group, consisting of four unpatented mining claims situated in the Deadwood Mining District, Valley County, State of Idaho, designated as the Merry Blue Claim, the Fourth of July Claim the Rose Claim and the Charlie "A" Claim, under that certain mining lease and option by and between Margaret E. Hall, as Lessor, and R. H. Pfeffer, as Lessee, dated the 24th day of August, 1951, and filed of record with the County Recorder of Valley County, Idaho, on the 24th day of October, 1951, in Book 9 of Miscellaneous Records, page 123, and undivided one-third (1/3) interest in said mining lease and option having been heretofore assigned by R. H. Pfeffer to P. F. Knight and a one-third (1/3) interest to H. G. Lynch, the other Vendor hereto; and a copy of said lease, option and assignment is hereto attached marked Exhibit "A" incorporated herein by reference; and

WHEREAS, Vendor are owners of four additional unpatented mining claims adjoining the said Merry Blue Group, which mining claims are located in the Deadwood Mining District, Valley County, State of Idaho, and more particularly described as follows:

> "Mary Lee", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43307 in Book 13 of Quartz Location Notices, at page 241, and by this reference made a part hereof; and
>
> "Mary Lee No. 1", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43308 in Book 13 of Quartz Location Notices, at page 242, and by this reference made a part hereof; and
>
> "Mary Lee No. 2", the location notice of which was recorded in the Office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43309 in Book 13 of Quartz Location Notices, at page 243, and by this reference made a part hereof; and
>
> "Mary Lee No. 3", the location notice of which was recorded in the office of the County Recorder of Valley County, State of Idaho, on September 7, 1951, under No. 43310 in Book 13 of Quartz Location Notices, at page 244, and by this reference made a part hereof:

which claims, together with those above described and included in the Merry Blue Group set out in Exhibit "A" are sometimes hereinafter referred to as "said mining claims" or "said property", such reference is intended in all cases to include all of said leases and mining claims in their entirety; and

Whereas, Vendee desired to exploit and develop at its sole cost and expense the said mining claims;

NOW, THEREFORE, in consideration of the premises, the respective covenants and undertaking hereinafter set forth and of the sums to be paid by Vendee to Vendor as hereinafter set forth, the parties hereto mutually agree as follows:

(1) That the Vendor bereby agrees to sell, transfer and set over to Vendee all right, title and interest to said mining claims above described subject to the following terms and conditions.

(2) That the Vendee agrees to pay for the aforesaid mining claims including all water rights and/or all other appurtenances including easements for said claims the sum of $300,000.00 payable as follows: The sum of $500.00 shall be paid in cash and the balance shall be paid as hereinafter set forth. That 15 per cent of the net smelter returns shall be paid by Vendee to Vendor when and as received by Vender, to be applied upon said purchase price, PROVIDED FURTHER, that not less than $15,000.00 shall be paid on said purchase price on or before the 1st day of September, 1953, and not less than $25,000.00 on the 1st day of each succeeding September until the full purchase price is paid in full. No interest shall accrue on the above principal if payments are made as herein provided.

That the Vendor agrees upon receiving full payment of the purchase price, in the manner above set forth, to execute and deliver good and clear title to the aforesaid mining property in form and manner acceptable to Vendee's attorneys, free of incumbrances except those that may accrue through Vendee.

(3) That Vendee agrees to undertake immediately to develop, exploit and operate said mine and will begin drifting upon said mining claims not less than thirty (30) days from date hereof.

(4) That Vendee agrees to render a statement of account and to pay all payments hereunder monthly. That payments shallbe made on or before the 10th day of the following month.

(5) That Vendee acknowledges that it has received a copy of that certain lease and option dated August 24, 1951 between Margaret E. Ball and R. H. Pfeffer, a copy of which is hereto attached marked Exhibit "A". The Vendee hereby agrees to comply with all the covenants and conditions stated in Exhibit "A" regarding rental and royalty payments together with all other covenants and conditions therein contained. All sums paid under said Exhibit "A" to Margaret E. Ball and/or R. H. Pfeffer to their assigns shallbe deducted from the sums to be paid by Vendee to Vendor under paragraph two above.

(6) That subject to the provisions of this contract Vendee, entirely at its own expense, shall have the sole and exclusive right, so long as this contract shall remain in force and effect, under the terms hereof, to mine, extract and remove from said mining claims all tungsten, gold, silver and other valuable ore and mineral products situated thereon and to market and sell the same.

(7) That the Vendee shallconduct all mining operations which it undertakes hereunder in accordance with good

mining practice pertaining to the type of mining required upon said mining claims, shall properly timber the mine and shall drive such tunnels, drifts and openings as will result in proper exploration and blocking out of ore in advance of mining.

(8) That the Vendor may have a representative or representatives upon said mining claims or in said mine at any and all times to inspect, survey, take samples and to check upon the mining progress and the manner of its conduct and operation.

(9) That the Vendee shall pay all taxes of every nature whatsoever which are incurred or which accrue while Vendee is in possession hereunder, against the said mining claims and against any improvement and equipment placed thereon.

(10) That the Vendee shall perform all annual assessment work on each of said mining claims each and every year, or portion thereof, that it is in possession and on or before June 1st of each and every year shall file with the County Recorder of Valley County, Idaho, legal proof of the performance of said assessment work, unless the requirement for assessment work is waived by act of Congress before May 15th of the year involved, in which event such holding statement or other affidavit will be filed as may be required by such act.

(11) That the Vendee shall be solely responsible for the payment of all labor, supplies, equipment and other materials furnished to or by Vendee in connection with its development, exploitation and operation of said mining claims,

and shall keep said mining claims, the premises described therein, and the whole thereof, free and clear of all liens and encumbrances of every kind and character on account of any such labor, supplies, equipment or materials furnished. Any sum which Vendee shall pay or be required to pay to protect the title in Vendor to said mining claims, shall be considered as an advancement for the account of Vendor and shall be repaid out of the royalty payments hereinabove provided for. Vendee shall carry workmen's compensation for its employees, as required by the State of Idaho, and shall pay the required Social Security and all other taxes upon its employees working on the above described property. Vendee shall post upon and continually keep posted upon said mining claims, in conspicuous places, where every employee is working or materials are being delivered, a statement, as required by law, that neither Vendor nor the mining claims or grounds are in any manner responsible for wages or salaries for labor performed thereupon or for the payment of supplies, equipment or other materials furnished to said mining claims in the operation thereof by Vendee. Vendee shall save Vendor harmless from any and all claims of creditors for materials and/or labor furnished to or by Vendee while it is occupying said mining claims, and Vendee shall comply with the provisions of Section 43-401 to Section 43-402, inclusive, of the laws of the State of Idaho relative to recording and posting notices.

(12) All water rights, if any, incident to the said mining claims shall be made available to Vendee in carrying

on the operations under this agreement, and any additional water rights acquired in connection with said mining operations shall be acquired in the names of the Vendor. Any right of way that may be acquired by Vendee over private ground for the purpose of access to said mining claims, or any of them shall be obtained in the names of Vendors, with Vendee having the right to use said right of way.

(13) True and accurate accounts and records reflecting the sales of and receipts from the minerals, ores and products taken from said mining claims shall be kept by Vendee and, upon request, Vendee shall furnish to Vendor a duplicate of any such records, and Vendor shall have access to such accounts and records of Vendee. None of the minerals, ores or products taken from the said mining claims, or any of them, shall be commingled with products of other properties than those covered hereby until after there has been a full and complete settlement thereof and payment therefore, provided that this clause shall not prevent Vendee from marketing the minerals, ores, or products of said mining claims in the ordinary course of its business under which an accounting satisfactory to Vendor is maintained therefor.

(14) Vendor reserve the right to apply for United States mining patents for any of the said mining claims, and in the event such patents shall be obtained, any taxes thereafter levied against the lands covered thereby shall be paid by Vendee. Vendee shall indemnify and hold harmless Vendor, and each of them from all loss, damage, expense, costs or attorneys' fees, and any and all liability therefore sustained or incurred by

Vendor, or any of them by reason or on account of any claim, action, suit or proceeding against Vendee, or any of them, in any way growing out of or in connection with or associated with the use or occupancy of said mining claims, or any part thereof, by Vendee, or in making an investigation because thereof, or in procuring or defending any action brought in connection therewith, or in obtaining releases therefrom, or the enforcement of any of the covenants herein contained and by Vendee to be performed, provided, however, that the above provision will not apply to any suit, claim or proceeding involving Vendor's title to said mining claims or Vendee's right to occupy the same hereunder, excepting only as may be specifically assumed by Vnedee herein.

(15) That the Vendor do hereby covenant to fully defend all right, title and interest in and to said mining claims.

(16) In the event that Vendee shall file a petition in bankruptcy or be adjudicated a bankrupt or insolvent by any court, or make an assignment for the benefit of creditors, or if a receiver or trustee of Vendee is appointed, or Vendee shall file a petition for re-organization, then in any of said events, Vendor shall have the right to terminate this agreement upon ten (10) days written notice, and any and all sums theretofore paid by Vendee shall be held and retained by Vendor and/or by said Margaret E. Ball as compensation for the use and occupation of said mining claims by Vendee.

(17) That Vendee shall have the right to cancel this contract at any time prior to the payment of the full

purchase price. Such cancellation shall be effected by a notice in writing served upon the Vendor by registered mail at least 30 days before the effective date of such cancellation and surrender of possession of said property. It is expressly understood however that such cancellation shall not relieve the Vendee from its obligation to pay 15 per cent of the net smelter returns upon all ore removed by it from said property during the life of this contract. Such cancellation shall release the vendee from any obligation to pay any unpaid balance of said purchase price or any unpaid annual minimum payments beyond the 15 per cent of the net smelter returns from the ore actually removed by the Vendee under this contract. It is the intention of the parties to permit the Vendee to relieve itself from the obligations of this contract by giving notice of cancellation except for the obligation to pay 15 per cent of the net smelter returns of the ore actually removed by the Vendee.

(18) Time is of the essence of this agreement. If Vendor shall at any time or times believe that Vendee has failed to perform any of the terms, covenants, provisions or conditions of this contract by it to be performed, said Vendor, or any one of them acting for himself and the other Vendor, shall give written notice thereof to Vendee at the address hereinafter stated, which said written notice shall specify the particulars wherein it is claimed that Vendee has failed to perform its obligations. Vendee shall have thirty (30) days from receipt of such notice in which to correct any claimed defaults or to show that such defaults never

existed, and if, within said thirty (30) days, Vendee shall fail to correct such defaults or to show that such defaults never existed, then and in that event all Vendee's right to mining claims, and all rights hereunder shall, at the option of Vendor, terminate, and Vendee shall forthwith cease operations upon said property, peaceably surrender the same and remove all of its machinery, equipment and personal property therefrom not constituting fixtures.

(19) That the parties hereto expressly agree that all machinery equipment installed upon the demised premises by the second party shall remain its property and it shall be entitled to remove the same at any time and shall have a reasonable period in which to complete such removal after the termination or cancellation of this contract regardless of the manner such contract is terminated.

(20) Any notice that either party hereto desires to or may be required to give to the other respecting this agreement or any matter or thing in connection therewith, shall be given in writing and sent by registered mail, postage prepaid, to the parties at their respective addresses, as follows:

First Parties: P. F. Knight
11411 Gravelly Lake Drive
Tacoma, Washington

H. G. Lynch
2790 Bayside Walk
San Diego, California

R. H. Pfeffer
2904 East Elm Street
Tuscon, Arizona

Second Party: Alabama-California Gold Mines Co.
Lyons Building
Seattle, Washington

or to such other addresses as either of said parties shall communicate to the other in the manner herein prescribed for the giving of notice.

(21) This agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS HEREOF, the parties hereto have executed this agreement and lease in quadruplicate on the _____ day of _____, 1952, at _____, Washington.

_____
P. F. Knight

_____
Gladys D. Knight

_____
H. C Lynch

_____
Avis Lynch

_____
R. H. Pfeffer
Individually, and as Executor of the Estate of Thelma Pfeffer, Deceased

_____
Dorothy C. Pfeffer

ALABAMA-CALIFORNIA GOLD MINES COMPANY

By_____

And_____

STATE OF WASHINGTON)
(ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the State of Washington, hereby certify that on this _____

day of _____, 1952, personally appeared before me P. F. KNIGHT and GLADYS D. KNIGHT, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed and sealed the same as theri free and volumtary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

_____
Notary Public in and for the State
of Washington, residing at Seattle

STATE OF ARIZONA)
(ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the State of Arizona, hereby certify that on this _____ day of _____, 1952, personally appeared before me H. C. LYNCH and AVIS LYNCH, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed and sealed the same as their free and volumtary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

_____
Notary Public in and for the State
of Arizona, residing at _____
My Commission Expires: _____

STATE OF ARIZONA)
(ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the State of Arizona, hereby certify that on this d _____ day of _____, 1952, personally appeared before me R. H. PFEFFER, individually and DOROTHY C. PFEFFER, his wife and R. H. PFEFFER as Executor of the Estate of Thelma Pfeffer, deceased, to me known to be the individual described in and who

executed the foregoing instrument, and acknowledged that he signed and sealed the same, in said capacity, as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

Notary Public in and for the State
of Arizona, residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
(ss
COUNTY OF KING)

On this 4th day of September, 1952, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David E. Pryde and George O. Nelson to me known to be the President and Secretary respectively, of ALABAMA-CALIFORNIA GOLD MINES COMPANY, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Kenneth O. Selander
Notary Public in and for the State
of Washington, residing at Seattle

A G R E E M E N T

AGREEMENT made, in duplicate original this 24th day of August, 1951, between MARGARET E. BALL, First Party, and R. H. PFEFFER, Second Party.

First Party is the owner and in possession of that certain mine and four Unpatented Mining Claims situated in the Deadwood Mining District, County of Valley, State of Idaho, more particularly described as follows:

Mary Blue, Fourth of July, Rose, and Charley "A" and Second Party is desirous of obtaining from First Party an exclusive lease of said property with the right to go upon said property and prospect and test the same for tungsten, gold, silver and other ore, and the exclusive right to purchase said property.

NOW, THEREFORE, First Party, in consideration of the sum of Ten Dollars ($10.00) to her in hand paid by Second Party, the receipt whereof is hereby acknowledged, does hereby lease, let and demise unto Second Party and Second Party is hereby granted by First Party the exclusive right and option to purchase said property, all upon the following terms and conditions:

1. The period for which this lease is given is ten (10) years from date hereof.

2. Second Party agrees to pay to First Party as royalty ten percent (10%) of the net smelter returns realized from all ores or minerals extracted from said property; said

EXHIBIT "A"

payments to be made on the 15th day of each calendar month, for all said returns received during the preceding calendar month. It is further agreed and understood by the parties hereto that all sums received hereunder by way of royalty shall be applied upon the purchase price of said property as hereinafter stated in the event that Second Party elects to purchase said property as hereinafter provided.

3. Second Party agrees in each twelve-month period during the life of this lease, beginning with the month of December, 1952, to pay to First Party the sum of $2,000.00 provided, however, that any royalty paid hereunder by First Party to Second Party in each said twelve-month's period shall be applied in payment of said sum of $2,000.00 to the credit of Second Party; said payment of said sum of $2,000.00 shall be applied upon the purchase price of said property as hereinafter stated in the event that Second Party elects to purchase said property as hereinafter provided.

4. Second Party agrees that all payments hereunder to be made to First Party, whether by way of royalty or otherwise, shall be delivered to Margaret E. Ball, 348 Amherst Drive, Burbank, California, and in connection with all royalty payments Second Party agrees, together therewith, to furnish First Party duplicate copies of all smelter returns, if any.

5. Second Party agrees that all work done in or on said property shall be done in a good and miner-like manner with a view to the preservation and development of the property as a mine or mines and in accordance with the State and Federal mining

regulations applicable thereto.

6. Second Party agrees during the life of this agreement to perform the annual labor for the benefit of said property so as to preserve the title and right to the possession thereof in First Party and cause to be made and recorded in accordance with law proper affidavits of the doing of said annual labor.

7. It is agreed that all machinery, equipment and supplies installed by Second Party on said property will be considered to be, and will be, personal property belonging to Second Party and shall be subject to removal by Second Party upon termination of this Agreement provided, however, that Second Party shall not remove said machinery, equipment and supplies from said property until Second Party has paid to First Party all royalties or other sums accrued hereunder.

8. Second Party shall promptly pay all bills for labor performed and for equipment, materials, supplies, water, electric energy and other utilities furnished on said property during the term hereof, and shall keep said premises free and clear of all labor, mechanics' and other liens and to that end shall keep posted thereon where any work is being performed, or equipment, materials, supplies or utilities used, such notice or notices of non-responsibility of First Party as the latter may desire and furnish to Second Party therefor.

9. First Party, or her duly authorized representative, may enter upon said property at any time or times during the term hereof for the purpose of inspecting the operations of Second Party hereunder, and Second Party will make available to First Party any information or data First Party may request

concerning the recovery from allores or minerals extracted from said property.

10. Second Party agrees to comply with the Workmen's Compensation provisions of the Labor Code of the State of Idaho.

11. Second Party agrees to indemnify First Party against and hold her harmless from any and all losses, expenses, or liability for claims, demands or causes of actions which may result from, arise out of or in any way be connected with the exercise by Second Party of any rights hereunder; and in the event that any action shall be commenced against First Party in respect to any such claim, demand or cause of action Second Party will defend same at his own cost and expense; and if any judgement shall be obtained against First Party, or against First Party and Second Party jointly be reason thereof, Second Party shall pay same and hold First Party harmless therefrom.

12. Second Party agrees during the life of this agreement, before the same shall become delinquent, to pay all taxes and assessments that may be levied or assessed against said property, including the improvements thereon, except severance taxes, if any, which may hereafter be imposed upon and be payable by First Party upon the royalty share to which First Party is entitled hereunderunder.

13. First Party grants unto Second Party an option to purchase said property at any time during the life of this agreement, Second Party not being in default under any of the terms of this agreement, for a total purchase price of Twenty

Thousand Dollars ($20,000.00), lawful money of the United States; provided, however, that in the event Second Party exercises said option to purchase on or before the 1st day of December, 1952, then and in that event, said purchase price shall be the sum of $15,000.00 lawful money of the United States.

14. If Second Party shall continue in any default in the performance of any of his promises, covenants, or conditions herein contained for a period of thirty (30) days after written notice specifying the nature and extant of such default shall have been communicated to him by First Party shall have the option to terminate this agreement by communicating written notice of her election to terminate thisagreement First Party shall be released from all obligations hereunder, and any and all sums theretofore paid by Second Party to First Party shall be held and retained by her as compensation for the use and occupation of said property by Second Party.

15. Second Party shall have the right to terminate this agreement at any time by giving fifteen (15) days' notice in writing of his election to terminate this agreement to First Party in the manner hereinafter provided for the communications of notices and in the event Second Party shall terminate this agreement by written notice communicated as aforesaid any and all obligations of Second Party under this agreement, save and except the obligation of Second Party to pay all debts for labor and supplies and equipment theretofore incurred by him and the obligation of Second Party to pay to First Party all royalties.

or other sums accrued hereunder, shall cease and end; the making of any payment by second party or the doing of any work on said property by second party shall not in any way obligate second party to make any other or further payment or to do any other or further work after second party shall have given written notice to first party of his election to terminate this agreement as aforesaid.

16. In the event that second party shall file a Petition in Bankruptcy or be adjudicated a bankrupt or insolvent by any Court, or if a receiver or Trustee in Bankruptcy, or a Receiver of the second party shall be appointed in any suit or proceeding brought against second party, or if second party shall make an assignment for the benefit of creditors, or if second party shall file a Petition for relief of debtors or for reorgamization then, in either or any of said events, first party shall have the right to terminate this agreement upon ten (10) days' notice to the second party and, thereupon, first party shall be released from all obligations hereunder and first party shall retain all sums theretofore paid to her by second party as compensation for the use and occupancy of said premises.

17. Any notice that either party hereto desires to or may be required to give to the other respecting this agreement, or any matter or thing in connection therewith, shall be given in writing and sent prepaid registered mail to the respective parties at their respective addresses as fallows:

FIRST PARTY	ADDRESS
Margaret E. Ball	348 Amherst Drive Burbank, California

SECOND PARTY	ADDRESS
R. H. Pfeffer	Post Office Box 5086 Tucson, Arizona

or to such other address as either party shall communicate to the other in the manner herein prescribed for the giving of notices. Notice by registered mail shall be deemed to have been fully communicated when deposited in a United States Post Office in a sealed envelope addressed to either party at the address as herein before specified.

18. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors and administrators, successors and assigns.

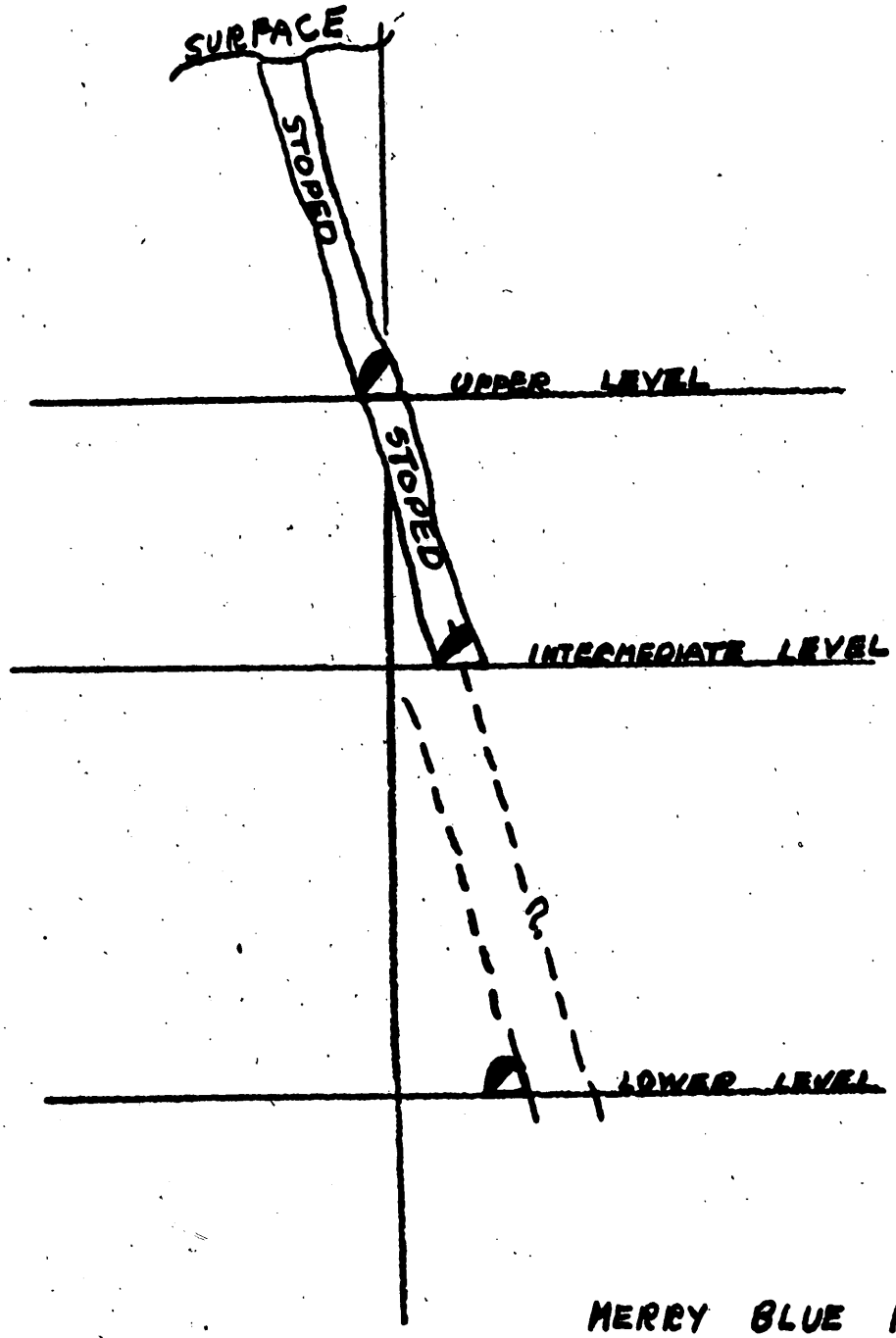
19. Time is of the essence of this agreement.

This agreement, executed in duplicate original, the day and year first about written.

Margaret E. Ball, First Party

R. H. Pfeffer, Second Party

DMEW-2806



MERCY BLUE MINE
VALLEY COUNTY, IDAHO
SECTION THRU SHAFT
LOOKING EAST

SCALE: 1" = 20'

WM Ea-2806

SAMPLING DATA

Gold Sampling by P. H. Miller @ $35.00 per oz.

$3.50	$85.40	$184.10	$65.80	$71.20	
$2.80	$335.30	$25.20	$92.40	$5.60	$13.30

Tungsten Sampling by B. Lockwood, Jr., @ $63.00 per Unit

	Width	% WO_3	Value
1	4.4'	2.5	$157.50
2	1.6'	0.20	$ 12.60
3	2.5	0.05	$ 3.15
4	1.5	0.10	$ 6.30
5	2.0'	1.20	$ 75.60
6	4.2	0.20	$ 12.60
7	1.6'	0.40	$ 25.20
8	1.5	1.80	$113.40
10	1.0'	1.2	$75.60
11	1.7'	0.9	$56.70
12	1.0'	1.7	$107.10
13	1.1'	1.5	$94.50
14	1.3	2.2	$138.60
16	1.8	Tr	
17	1.0	2.8	$176.40

MERRY BLUE MINE.

VALLEY COUNTY, IDAHO.

PLAN AND LONGITUDINAL SECTION.

SCALE: 1" = 20'

SAMPLING DATA

Gold Sampling by P. H. Miller @ $35.00 per oz.

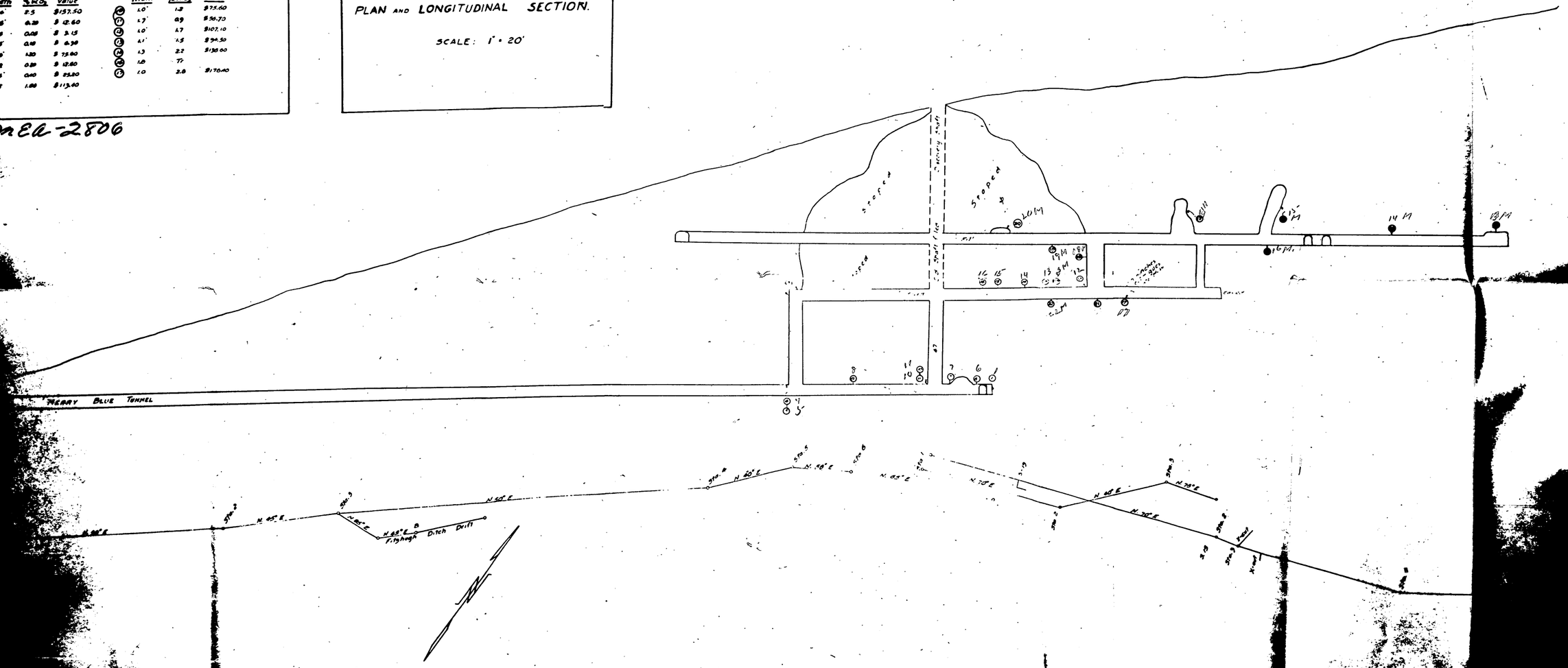
$3.50 $85.40 $184.10 $65.00 $71.20
$2.00 $335.30 $25.20 $52.60 $5.60 $13.30

Tungsten Sampling by B. Lockwood, Jr. @ $63.00 per Unit

Width	% WO_3	Value
4.0'	2.5	$157.50
1.6'	0.20	$ 12.60
2.5'	0.05	$ 3.15
1.5'	0.10	$ 6.30
20'	1.20	$ 75.60
4.5'	0.20	$ 12.60
1.6'	0.40	$ 25.20
1.8'	1.00	$113.40

	Width	% WO_3	Value
10	1.0'	1.2	$75.60
11	1.7'	0.9	$56.70
12	1.0'	1.7	$107.10
13	1.1'	1.5	$94.50
14	1.3	2.2	$138.60
15	1.0	Tr.	
16	1.0	2.8	$176.40

MEA-2806



UNITED STATES
PARTMENT OF THE INTERIOR
FENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~

~~OFFICIAL BUSINESS~~

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(PMGC)

KNOXVILLE
DEC 8
4 30PM
1952
TENN.

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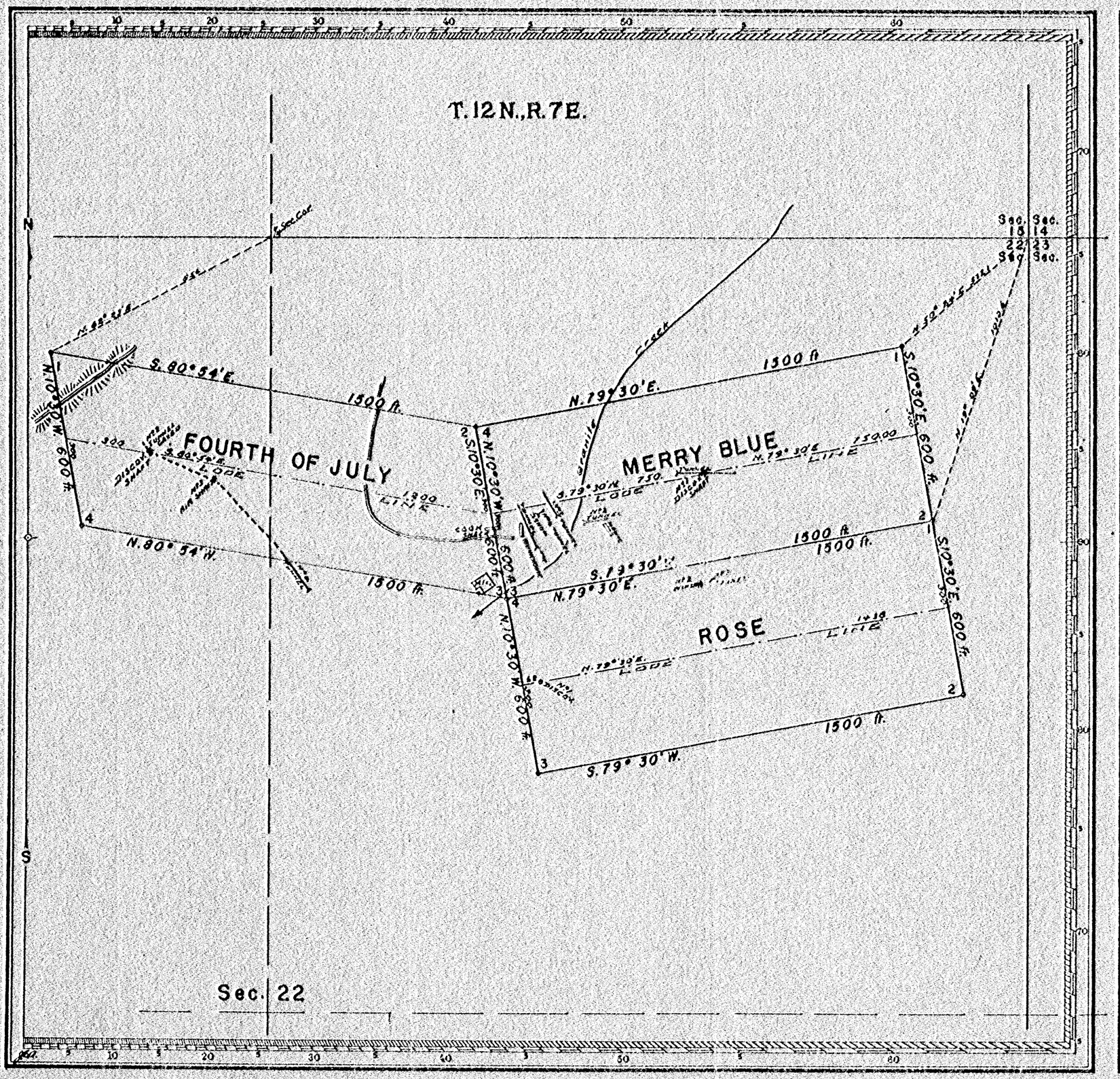
Mr. ~~C. O.~~ Mittendorf, ~~Administrator~~
~~Defense Minerals Exploration Administration~~
Dept. of the Interior
~~Washington 25, D. C.~~

DMEA 2806

3 Shape Engineer
12/10/52

4-675
UNITED STATES
DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE



Mineral Survey No. 3379

Blackfoot Land District.

PLAT

OF THE CLAIM OF

Mrs. Margaret Ball
KNOWN AS THE

MERRY BLUE GROUP

comprising the
MERRY BLUE, FOURTH OF JULY
and ROSE lodes

IN DEADWOOD MINING DISTRICT,
VALLEY COUNTY, IDAHO
Containing an Area of 60.786 Acres.
Scale of 300 Feet to the inch.
Variation 20°E.
SURVEYED October 9-12 1940 BY
Gordon C. Smith,
Mineral Surveyor

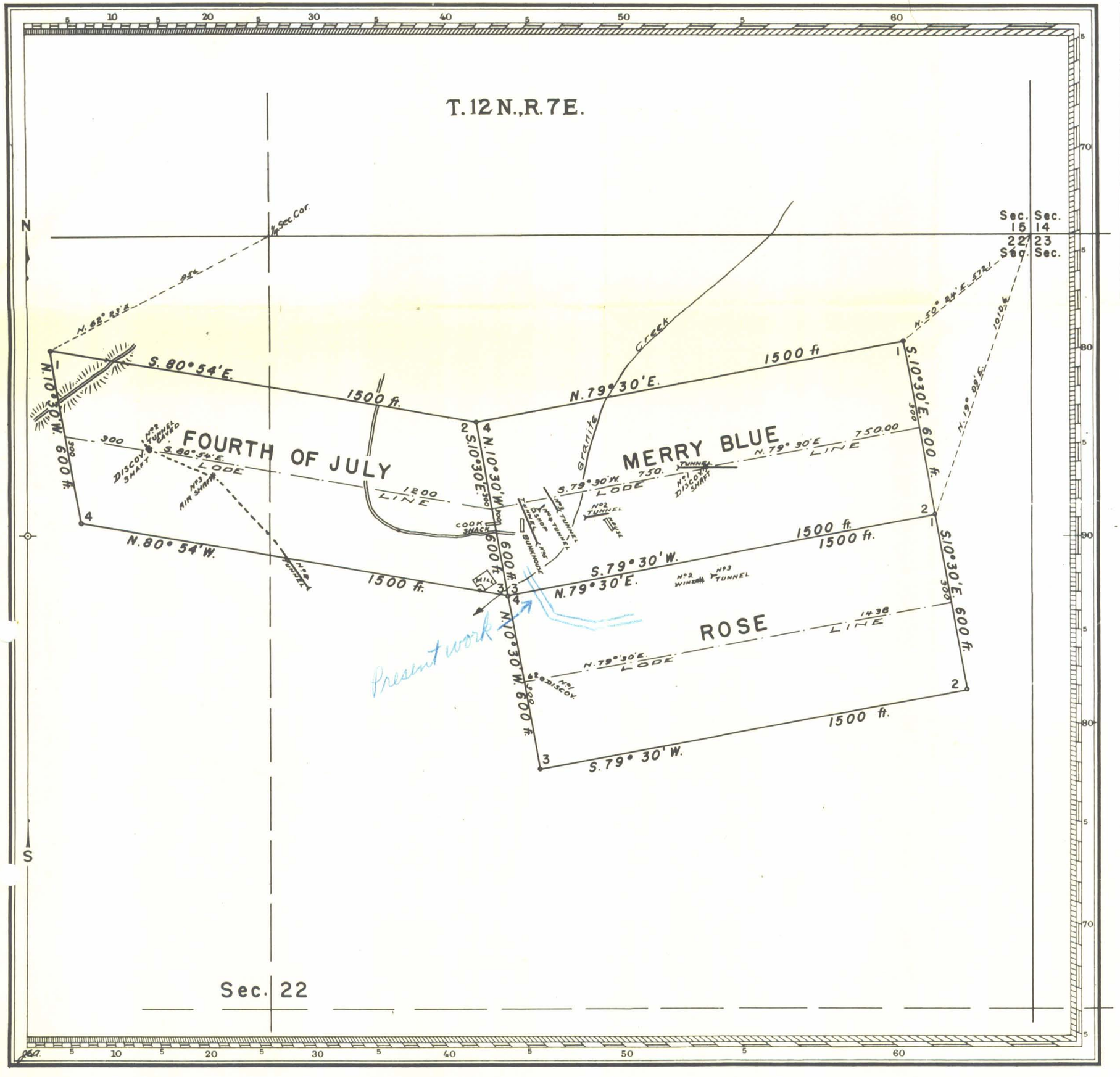
The Original Field Notes of the Survey of the Mining Claim from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.
I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon, or for the benefit of, each location embraced in said mining claim by claimant or her grantors and that said improvements consist of three Shafts, seven Tunnels and a Winze Value $12990.00

that the location of said improvements is correctly shown upon this plat, and that no portion of or interest in said labor or improvements has been included in the estimate of expenditures upon any other claim.
And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

Public Survey Office
Boise, Idaho
April 24, 1941.

Clair P. McLeod
Office Cadastral Engineer

4-675
UNITED STATES
DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE



Mineral Survey No. 3379

Blackfoot Land District.

PLAT

OF THE CLAIM OF

Mrs. Margaret Ball
KNOWN AS THE

MERRY BLUE GROUP

comprising the
MERRY BLUE, FOURTH OF JULY
and ROSE lodes

IN DEADWOOD *MINING DISTRICT,*
VALLEY *COUNTY,* IDAHO
Containing an Area of 60.786 *Acres.*
Scale of 300 *Feet to the inch.*
Variation 20° E.
SURVEYED October 9-12 1940 *BY*
Gordon C. Smith,
Mineral Surveyor;

The Original Field Notes of the Survey of the Mining Claim from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.
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And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

Public Survey Office
Boise, Idaho
April 24, 1941

Alan R. McLord
Office Cadastral Engineer