MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE Contract No. 14-23- 2214 Docket No. MME-6455

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [X] ~~Certification of Discovery~~] Royalty Agreement letter 2/17/69
- [ ] Closing Letter
- [X] Cost Audits 1/29/69
- [X] Termination Notice ~~or Agreement~~] letter 9/10/68
- [ ] Recision Notice
- [ ] Assignment of Contract
- [X] Contract Amendments
- [X] Contract with all exhibits and annexes
- [X] Owner's Consent to Lien and Subordination Agreement
- [X] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [XX] Operator's Final Report (Tab) 9-25-68
- [X] Interim Field Team Reports
- [X] Operator's monthly reports and all attachments
- [X] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. 2: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

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Form 7
(2/63)

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FEB 17 1969

Continental Quicksilver, Inc.
820 South Ninth Street P.O. Box 190
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Pursuant to Article 7 of the contract, as amended, and paragraph 4(d) of Amendment No. 3 thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from February 28, 1966, to February 28, 1977, or until the total amount contributed by the Government under the contract ($24,405.80) is fully repaid with interest at the rate of 6-3/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

We direct your attention to "A Special Agreement Concerning Land" in Annex I of the contract which provides that any land situate within 1,500 feet of the southern boundary of the land described in the contract which is acquired by the Operator, the parent company thereof, or any subsidiary of either at any time during the royalty period is subject to the royalty provisions described above.

Royalty payments should be made in favor of the U. S. Geological Survey, and mailed or delivered to the Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to preservation of the Government's royalty rights. True copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished the Field Officer.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copies to: Miss Marian C. Rushing, 5317 N. W. Fruit Valley Road
Vancouver, Washington 98660

Charles T. Lark; George H. Lark; George Lauder,
Charles T. Lark, Jr., and Bankers Trust Company
Attention: Robert P. Borges, Trust Officer, as
Co-Executors of the estate of Loye Lark Lauder,
Decesead, in care of Mr. Charles T. Lark, Jr.,
501 Fifth Avenue, New York, New York 10017

Harris Trust and Savings Bank, 111 West Monroe Street,
Attention: Corporate Trust Department, Chicago, Ill. 60690

Continental Quicksilver, Inc., 4534 West North Avenue
Chicago, Illinois 60639, Attention: Corporate Trust Dept.

cc: Director's Reading File
~~Division File~~
Economic Geology File
Branch of Budget & Finance
Assoc. Sol.--MR, Room 6554
OME Docket
OME Reading File
OME Region I
Frank E. Johnson
Mr. Kirkemo
130(2)

GLAult/bsl 12/16/68
Rewritten: RWBliss/HKirkemo/bsl 2/6/69

MME Form 7
(2/63)

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FEB 17 1969

Messrs. Charles T. Lark, Jr.;
George H. Lark; George Lauder,
Charles T. Lark, Jr., and
Bankers Trust Company,
Attention: Robert P. Borges,
Trust Officer, as Co-Executors
of the estate of Loye Lark Lauder,
Deceased, care of:
Mr. Charles T. Lark, Jr.
501 Fifth Avenue
New York, New York 10017

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien and Subordination Agreements signed by you on March 29, 1965, and the Escrow Agreement -- De Lamar Lease and Option, dated December 27, 1965.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

Copies, with enclosure, to:

Miss Marion C. Rushing
5317 N. W. Fruit Valley Road
Vancouver, Washington 98660

Harris Trust and Savings Bank
Attention: Corporate Trust Department
111 West Monroe Street
Chicago, Illinois 60690

Continental Quicksilver, Inc.
Attention: Corporate Trust Department
4534 West North Avenue
Chicago, Illinois 60639

cc: Director's Reading File
Economic Geology File
~~OME~~ Docket
OME Reading File
OME Region I
Mr. Kirkemo
130(2)

GLAult/bsl 12/16/68

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UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

Report of Review - Contract 2214
Docket No. OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Owyhee County, Idaho

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Washington, D.C.
January 1969

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS, REGION I
1325 K STREET, N. W., ROOM 614
WASHINGTON, D. C. 20005

FEB 3 1969

Memorandum

To: Director, Geological Survey

From: Regional Director, Audit Operations, Region I

Subject: Review of Contract 2214
Docket No. OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Owyhee County, Idaho

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2214. The results of our review are shown in the attached report.

C. D. Baer

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to their minerals exploration Contract No. 2214 with Continental Quicksilver, Inc. (Operator), and examined the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey. This review was made at Washington, D. C. during January 1969.

The contract was awarded February 28, 1966, for $61,360, the total estimated costs of the project, with OME participation on a 62½ percent basis. The purpose of this contract is to explore by core and plug bit drilling from surface drill sites for gold- and silver-bearing ore bodies in the Seventy-seven and Sommercamp vein Systems in igneous rocks of probable Miocene Age.

Repayment of disbursed Federal funds plus simple interest at 6-3/4 percent was to be made on the basis of established royalties of all minerals and metals produced from the land during the exploratory operations and for a period of 11 years from the date of the contract should a certification of possible production be made by OME.

Completion of all work under the contract was to be accomplished within 36 months or by February 28, 1969.

The work was to consist of bulldozing access roads to eight drill sites, leveling the sites, and drilling not more than eight holes for not more than 7,200 feet.

Work under the contract was terminated December 1, 1966, under the terms of Amendment 3, item 4(a), because the explorations were not resumed by July 1, 1968. Item 7(c) of the contract provides for payment of royalty on production that may become due the Government.

The units of work authorized and paid under the contract are summarized on Exhibit I. Approximately 4,740 feet of drilling was accomplished under this contract.

Field inspections were made and eight vouchers submitted by the Operator were approved by the OME Region I office. We believe the claimed and accepted costs of $39,049, and the OME participation on the 62½ percent basis for $24,406 were proper under the terms of the contract.

An acceptable Operator's Final Report was received by OME on September 27, 1968.

C. D. Bar

Regional Director

Summary of Contract Terms, Accepted Costs, and Unexpended Balances

Actual Costs	Authorized Amounts	Accepted Costs	Unexpended Balance
Category (1) Independent Contracts			
Bulldozing Access Roads and Drill Sites 20 hours at $14/hour	$ 320	$ 280	$ 40
Mobilization and Demobilization, Two Surface Drill Units	1,400	700	700
Overburden Drilling and Setting of Casing 140 Feet at $12.50/foot	1,750	191	1,559
Diamond Core and Plug Bit Drilling - 7,200 feet	49,720	32,153	17,567
Cement, Drill Mud, Additives, and hole-Plugging Agents	1,880	1,162	718
Drill Core Boxes	500	258	242
Reaming and Casing a/ 80 hours at $12/hour	960	1,068	(108)
Cementing and Redrilling 80 hours at $12/hour	960	960	
Surveying with in-hole instrument 30 hours at $12/hour	360	108	252
Subtotal	57,850	36,880	20,970

Summary of Contract Terms, Accepted Costs, and Unexpended Balances

Actual Costs	Authorized Amounts	Accepted Costs	Unexpended Balance
Incidental Cost Per Foot of Drilling Completed 7,200 feet at $0.35/foot b/	2,520	1,897	624
360 Core and Sludge Samples for Gold and Silver Assays at $2.75/sample	990	272	717
Total Cost of Project	61,360	39,049	22,311
Government Participation - 62½%	$38,350	$24,406	$13,944

a/ The Government will not contribute to the cost of the casing left in place at the request of the Operator.

b/ Includes all cost whatsoever such as Supervision, Labor, Equipment, Payroll taxes, FICA Insurance, ect. that would otherwise be allowable under categories (2) through (7) of the Contract.

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

AMENDMENT NO. 3

It is agreed this 26th day of July, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Continental Quicksilver, Inc., hereinafter called the "Operator," that Exploration Contract 2214 (OME-6455), dated February 28, 1966, as amended, is amended further effective June 1, 1967, as follows:

1. (a) The period fixed in Amendment No. 2 to the Contract for suspension of drilling is further extended from June 1, 1967 until July 1, 1968.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by Article 1 of the contract, as amended by Amendment No. 2, for completion of the work is extended from twenty-four (24) months to thirty-six (36) months from the date of the contract, or to February 28, 1969.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

4. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension; and if not so resumed, the following provisions shall thereupon become effective.

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective December 1, 1966, if the work has not been resumed on or before July 1, 1968.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 4 (a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as a maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

CONTINENTAL QUICKSILVER, INC.

By C. W. Reynolds

Title Vice President - Mining

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MME Form 7
(2/63)

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Date	Surname	Code
7/18/67		120
"	Johnson	110
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July 18, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Justification for Amendment No. 3

The geologist supervising the drilling completed thus far on the project left the employ of the Operator on May 15, 1967, and another geologist on the staff also resigned recently. Much study and interpretation of data obtained from drilling to date had been done by the Operator's geologist in order to correlate and project rock formations and structures into the areas yet to be drilled. It would not be in the best interest of the project to resume drilling until a competent geologist is hired to supervise the future drilling.

There is keen competition for experienced drillers and a shortage of drilling equipment this summer because of the great activity in exploration work in the western states. Until such time as personnel and equipment are available to resume and conclude this project to the satisfaction of the parties concerned, a recess is in order.

I concur in the Field Officer's recommendation to recess the project as requested.

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/gla 7-17-67

Government's copy

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

AMENDMENT NO. 2

It is agreed this 10th day of January, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Continental Quicksilver, Inc., hereinafter called the "Operator," that Exploration Contract 2214 (OME-6455), dated February 28, 1966, as amended, is amended further effective December 1, 1966, as follows:

1. (a) Drilling under the contract may be suspended during the period beginning December 1, 1966, and ending not later than June 1, 1967.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by Article 1 of the contract for completion of the work is extended from eighteen (18) to twenty-four (24) months from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as a maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

CONTINENTAL QUICKSILVER, INC.

By C. W. Reynolds

Title Vice Pres. - Mining

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(2/63)

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December 23, 1966

Memorandum

To: The File

From: Harold Kirkemo, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

JUSTIFICATION FOR AMENDMENT NO. 2

Adverse conditions for servicing and operating this project during winter and spring months would slow down the rate of progress and reduce the efficiency of operations if required to continue. Heavy snowfall and drifting snow in winter, and thawing conditions in the spring would make travel to the project most difficult and costly.

During the recess period, the Operator intends to review results of drilling already completed, and to study any changes that may be necessary in the plan of drilling for the remainder of the program.

I concur with the Field Officer's recommendation to approve the Operator's request for a six-months' recess.

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/gla 12-23-66

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Government's Copy

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

AMENDMENT NO. 1

It is agreed this 19th day of October 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Continental Quicksilver, Inc., hereinafter called the "Operator," that Exploration Contract 2214 (OME-6455), dated February 28, 1966, is amended effective the date of the contract as follows:

1. In Exhibit A, under the heading General Provisions, the third paragraph on page 2 is revised to read as follows:

"The location, direction, and extent of each work item shall be subject to Government approval."

2. In Exhibit A, under the heading Estimated Costs of the Project, Actual Costs, Category (1) Independent Contracts, the second item on page 5 is revised to read as follows:

Drill core boxes	$500.00
Cardboard @ $1.00/each	
Wood @ $3.50/each	

This amendment shall not be construed to change the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

CONTINENTAL QUICKSILVER, INC.

By C. R. Kenyon Jr.

Title Gen'l Supt.

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MME Form 7
(2/63)

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October 11, 1966

Memorandum

To: The File

From: Harold Kirkemo, Assistant Chief
Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

JUSTIFICATION FOR AMENDMENT NO. 1

This project is in a remote location, and the requirement to obtain Government approval prior to drilling on a plan modified by the results of previous drilling may unnecessarily delay completion of the contract. The Field Officer notes that the Operator's geologist is thoroughly competent, and that neither the geologist nor the Operator desire to spend money needlessly on poorly planned drilling. The provision for approval by the Government of changes in the plan of work is retained in the contract.

The material construction of core boxes to be used on the contract was not specified in the bids received or in the field examiner's report and, therefore, the present practice of specifying use of cardboard boxes was followed in preparing the contract. Perhaps the Operator is able to obtain wood core boxes from local sources, which is a reasonable and justifiable reason for using them on the project, and for amending the contract to allow their use. The total cost to the Government for core boxes remains unchanged.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 10-11-66

Government's Copy

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6455	Gold-Silver	2214	Owyhee	Idaho

It is agreed FEB 28 1966 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Continental Quicksilver, Inc., a California corporation

whose mailing address is 820 South Ninth Street, Grand Junction, Colorado 81502, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 15, 1966 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 18 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $61,360.00. The Government will contribute ~~50~~ 62½ percent of the allowable costs as they are incurred, in a total sum not in excess of $38,350.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 6 - ¾ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

CONTINENTAL QUICKSILVER, INC.
(Operator)

By Peter A. Bauer
Peter A. Bauer

By Arthur B. Baker
Acting Director
U. S. Geological Survey

Title Vice-President

Long
Appvd. Sol. Off.
Kishemo
Selfridge
Johnson
Kilgoard
Lynch
Kleppar

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

Melvin Pollack

[CORPORATE SEAL]

Melvin Pollack

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

ANNEX I

The land, including all rights pertaining thereto, referrred to in Article 2 of the contract consists of sixteen (16) patented lode mining claims in sections 4, 5, 8, and 9, T. 5 S., R. 4 W., Boise Principal Meridian, De Lamar district, Owyhee County, Idaho.

The outer boundary of the claims is shown in heavy outline on Figure 1, entitled "Map Showing Operator's Property Rights, and Location of Proposed Drill Holes, De Lamar Mine, Owyhee County, Idaho" which is attached hereto and made a part hereof.

The claims included in the group are as follows:

Claim	Patent No.
Boston	20972
Cash	22255
Chicago	17931
Christian Wahl	17932
Crown Prince & Bismark Consolidated	22257
Denver	21442
Hope	22256
Iburg	30600
Idaho	16692
New York	20973
Philadelphia	21441

Phoebe Grace	21444
San Francisco	21443
Torpedo	30598
Wilson	16476
Zulu	30599

The Operator is in possession of the claims by virtue of an Escrow Agreement dated December 27, 1965, of the De Lamar Lease and Option dated October 31, 1963, as amended, between Continental Quicksilver, Inc., and Marian C. Rushing, Charles T. Lark, Jr., et al., owners of the claims.

A Lien and Subordination Agreements executed by the owners of the claims is attached hereto and made part hereof.

A Special Agreement Concerning Land

In the event that the Operator, the parent company thereof, or any subsidiary of either (whether wholly owned or otherwise) at any time during the period expiring ten years from the date of this contract acquires any interest, title, or equity in or with respect to any land, including minerals therein, situate within 1,500 feet of the southern boundary of the land described in this contract, it is agreed that such land shall thereupon become subject to the provisions of this contract, and the parties hereto shall promptly execute amendments to this contract listing such land as land included in this contract.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090– 2214
Contract Date FEB 28 1966

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Owyhee, State of Idaho;

described ~~xxxxxxxx~~: 2/: in Annex No. 1.

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

Continental Quicksilver, Inc., a California corporation. 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

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

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

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

NONE

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

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

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

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

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

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

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

Dated this 29th day of March, 1965.

Marian C. Rushing (Seal)
Marian C. Rushing

5317 N.W. Fruit Valley Road
Vancouver, Washington 98660

The following may be addressed care of: Charles T. Lark, Jr., 501 Fifth Avenue, New York, New York 10017.

Charles T. Lark (Seal)
Charles T. Lark, individually

George H. Lark (Seal)
George H. Lark

George Lauder (Seal)
George Lauder, not individually, but as Co-Executor of the estate of Loye Lark Lauder, Deceased.

Charles T. Lark (Seal)
Charles T. Lark, Jr., not individually, but as Co-Executor of the estate of Loye Lark Lauder, Deceased.

BANKERS TRUST COMPANY, a corporation organized under the laws of the State of New York as Co-Executor of the estate of Loye Lark Lauder, Deceased.

By Robert P. Borges
Trust Officer

I, Herbert G. Schoebel (Name), certify that I am the Assistant Secretary (Title—Secretary, etc.) of the corporation named herein; that Robert P. Borges (Name), who signed this agreement was then TRUST OFFICER (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Herbert G. Schoebel
(Corporate Seal)

Annex No. 1
Lien and Subordination Agreement
March 29, 1965

Lode Claims	Survey	Patent
Boston	855	20972
Cash	859A	22255
Chicago	643A	17931
Christian Wahl	642A	17932
Crown Prince & Bismark Consolidated	923A	22257
Denver	856A	21442
Dissen	921	21977
Hidden Treasure	1264	30107
Hope	920A	22256
Iburg	1260	30600
Idaho	548	16692
London	857A	37355
Louis Wahl	854	25112
Michigan	1266	29721
Malloy	1029A	30913
New York	863A	20973
Philadelphia	862A	21441
Phoebe Grace	858	21444
San Francisco	860	21443
Stoddard (Index No. 328)	--	12003
Torpedo	1261	30598
Wall Street	1265	34875
Wilson	547	16476
Zulu	1259	30599

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

EXHIBIT A

The purpose of this project is to explore by core and plug bit drilling from surface drill sites for gold- and silver-bearing ore bodies in the Seventy-seven and Sommercamp vein systems in igneous rocks of probable Miocene age.

General Provisions

A bulldozer equivalent to at least a Caterpillar D-6 shall be used in the preparation of access roads and drill sites.

All drill holes shall be cased through the overburden. The holes shall be completed not less than AX core size (core diameter not less than 1-1/8") or equivalent wire line size.

Drill hole intercepts of the target areas shall be no less than 100 feet from the boundaries of the claim group outlined on the map previously referred to in Annex I.

Facilities shall be provided for recovering diamond drill sludge, and such sludge shall be retained when drilling in significantly mineralized ground.

The diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depths represented.

Significantly mineralized core in lengths not to exceed 5 feet each shall be split and one split assayed for gold and silver. Wherever the core recovery is less than 60 percent, a split of the corresponding retained sludge and a split of such core as may have been recovered shall be assayed separately and the assay results combined according to standard practice to represent a single sample. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

All drill holes shall be logged, and copies of the logs of completed holes together with plans and sections showing geology and assays shall be furnished monthly to the Government. Such logs shall be accompanied by true copies of assay certificates for all samples.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to prior Government approval.

The bearing and inclination of each drill hole shall be determined with an in-hole surveying instrument (Tropari compass or equivalent) at 200-foot intervals during the drilling in order to locate the hole with respect to the target area. If experience in the first three holes proves that the holes do not deviate beyond the course necessary to intersect the targets, such measurements may be made only as conditions require in subsequent holes.

The Government will not participate in the costs incurred for incomplete drill holes.

Description of the Work

The work shall consist of bulldozing access roads to 8 drill sites, leveling the sites, and drilling not more than 8 holes totalling not more than 7,200 feet.

The drill sites shall be located west of the Seventy-seven vein system except Hole 5 which shall be west of the Sommercamp vein system. The drill holes shall be inclined so as to cut the vein systems in the footwall of the De Lamar and Sommercamp faults. The drill sites are shown on Figure 1 referred to previously.

All holes are to be drilled on a bearing of N. 60° E. unless results of drilling dictate changes in the course of subsequent holes. The target vein system, inclination, approximate length, and the range in elevation of the target in each hole are as follows:

Hole No.	Inclination degrees	Length feet	Target		
			Vein system	Elevation range, ft.*	
				From	To
I B	-52	850	77	5950	5850
3 A	-50	850	77	5840	5700
3 B	-54	750	77	5880	5770
4 A	-50	1000	77	5650	5530
4 B	-50	900	77	5700	5650
5	-50	800	Sommercamp	5800	5650
6 A	-50	1150	77	5460	5420
6 B	-50	900	77	6540	5670
	Total	7200			

* Assuming De Lamar 12 level at 5,800 ft. elevation.

Holes 1B, 3A, and 5 shall be drilled initially. Depending upon the geologic and assay results from these holes, Holes 3B, 4A, 4B, 6A, and 6B may be drilled as necessary to obtain the maximum information in the respective cross sections. The proposed location, bearing, inclination, and lengths of all holes except 1B and 5 may be changed by the results obtained from the previously drilled holes.

The second hole in each cross section, if drilled, on the Seventy-seven vein system may be drilled with a plug bit for a distance of about 500 feet, or to the point where core recovery is necessary for geologic or sampling purposes. The remainder of the distance shall be core drilled.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites D-8 16 hours @ $20.00/hr. D-7 20 hours @ $16.00/hr. D-6 23 hours @ $14.00/hr. (rounded)	$ 320.00
Mobilization and demobilization, two surface drill units	1,400.00
Overburden drilling and setting of casing 140 feet @ $12.50/foot	1,750.00
Diamond core and plug bit drilling 7,200 feet	49,720.00

Depth ft.	Size	Price per ft.
0-500	NX	$6.90
	BX	6.40
	AX	5.90
	Plug bit	7.35
500-750	BX	6.90
	AX	6.40
750-1000	BX	7.35
	AX	6.90
Over 1000	BX	7.85
	AX	7.40

Cement, drill mud, additives, and hole-plugging agents	$ 1,880.00	
Cardboard core boxes 500 @ $1.00/each	500.00	
Reaming and casing 80 hours @ $12.00/hour 1/	960.00	
Cementing and redrilling 80 hours @ $12.00/hour	960.00	
Surveying with in-hole instrument 30 hours @ $12.00/hour	360.00	
Total Estimated Actual Costs		$57,850.00

Fixed Unit Costs

Incidental cost per foot of drilling completed 7,200 feet @ $0.35/foot 2/	$ 2,520.00	
360 core and sludge samples for gold and silver assays @ $2.75/sample	990.00	
Total Estimated Fixed Unit Costs		$ 3,510.00
Total Estimated Cost of the Project		$61,360.00
Government Participation @ 62½%		$38,350.00

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever such as supervision, labor, equipment, payroll taxes, F.I.C.A. Insurance, etc. that would otherwise be allowable under Categories (2) through (7) of the contract.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"During the performance of this contract, the contractor agrees as follows:

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

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

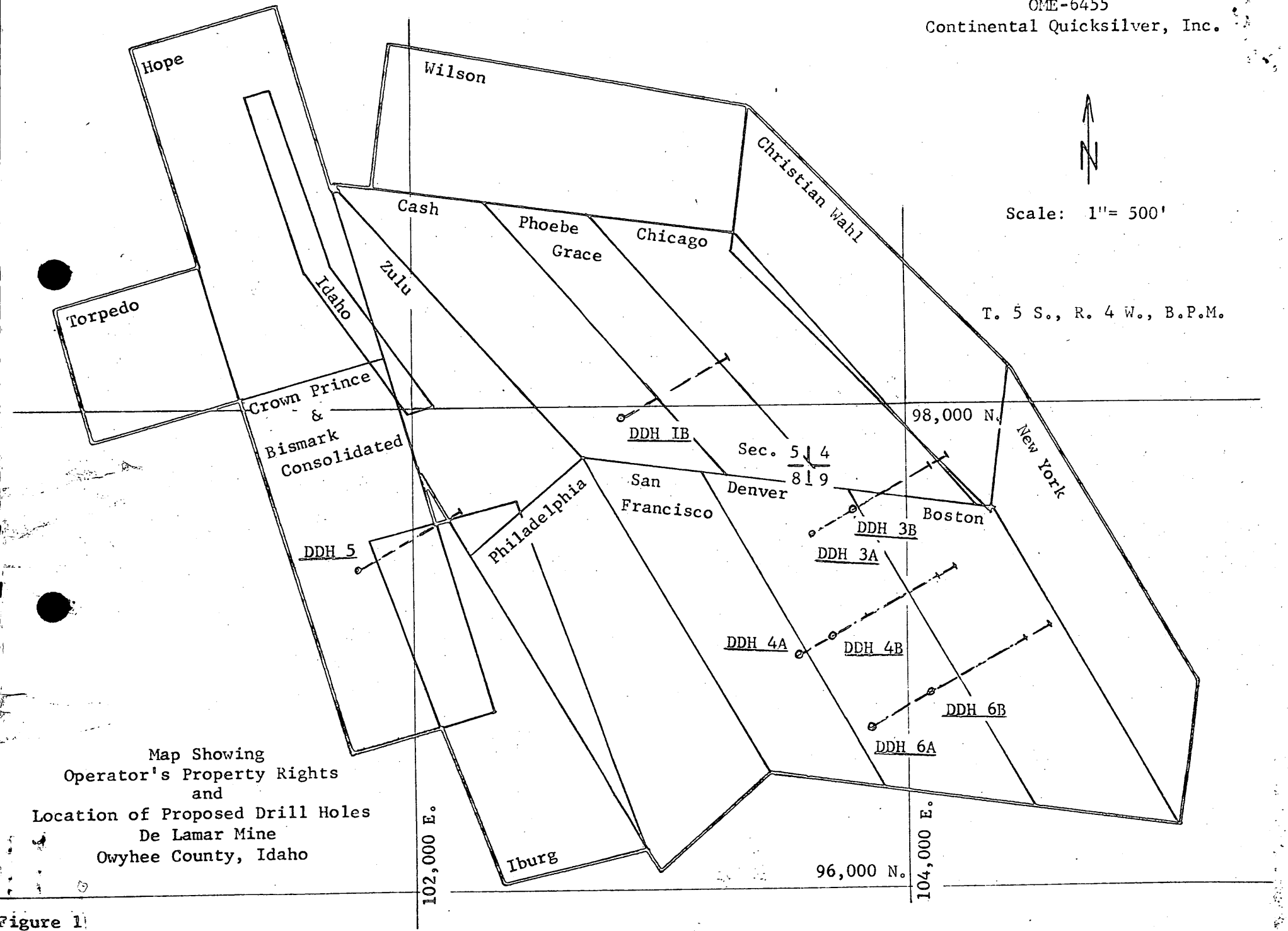
'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

OME-6455
Continental Quicksilver, Inc.



Map Showing
Operator's Property Rights
and
Location of Proposed Drill Holes
De Lamar Mine
Owyhee County, Idaho

Figure 1

A Certified True Copy.

Ruth Baron
Notary Public

ESCROW AGREEMENT -- DE LAMAR
LEASE AND OPTION

THIS AGREEMENT, dated December 27, 1965, among CONTINENTAL QUICKSILVER, INC., a California corporation (hereinafter called "CONTINENTAL"), MARIAN C. RUSHING, CHARLES T. LARK, JR., and those other persons or their representatives listed in Appendix A (each of whom together are hereinafter called the "OWNERS") and HARRIS TRUST AND SAVINGS BANK, Chicago, Illinois, (hereinafter called "ESCROWEE"),

W I T N E S S E T H :

A. WHEREAS, CONTINENTAL and the OWNERS have entered into the DE LAMAR LEASE AND OPTION dated October 31, 1960, as amended by the FIRST AMENDMENT thereto dated December 31, 1964 (hereinafter called the "LEASE"); and

B. WHEREAS, CONTINENTAL has exercised its option thereunder to purchase the PREMISES described in Appendix B attached to the LEASE; and

C. WHEREAS, the parties desire to establish an escrow in accordance with paragraph 3(a) of the LEASE;

NOW, THEREFORE, the parties agree as follows:

1. Deposits By Owners. At a closing to be held at the offices of ESCROWEE on or before December 31, 1965, CONTINENTAL will pay to the OWNERS Five Thousand Dollars ($5,000.00) and OWNERS will deposit with ESCROWEE the deed or deeds required by paragraph 3(a) of the LEASE. The OWNERS, or any of them, or CONTINENTAL, at any time or from time to time, may deposit addi-

tional documents. ESCROWEE shall not deliver or return documents deposited at the closing or thereafter to anyone, except as hereinafter set forth, or in accordance with written instructions signed by CONTINENTAL and OWNERS.

2. Completion of Payments. Upon payment by CONTINENTAL to OWNERS of all amounts due OWNERS from CONTINENTAL under the terms of the LEASE, OWNERS by notice will direct the ESCROWEE to deliver to CONTINENTAL all items deposited by OWNERS with ESCROWEE, and ESCROWEE will so deliver such items.

3. Action by ESCROWEE After Notice of Default. Upon receipt by ESCROWEE from either OWNERS or CONTINENTAL of a copy of a Notice of Default under the LEASE (which Notice has been sent by registered or certified mail, return receipt requested, to the alleged defaulting party) or of a copy of a Notice of Default in the performance of this Escrow Agreement (which Notice has been served pursuant to Paragraph 7 hereof), ESCROWEE shall continue to hold all documents deposited with it until receipt of instructions signed by or on behalf of OWNERS and of CONTINENTAL, or until receipt of evidence, satisfactory to counsel for ESCROWEE, of the terms of an applicable arbitration award, court decree, or other resolution of the existing controversy. ESCROWEE will promptly comply with such instructions or terms.

4. Rights and Liabilities of ESCROWEE. All documents deposited simultaneously with the execution of this Agreement are approved by the parties hereto, and ESCROWEE shall not be obliged to inquire as to the form, manner of execution or validity of any document hereafter deposited pursuant to the provisions hereof, nor shall ESCROWEE

be obliged to inquire as to the identity, authority or rights of the persons executing the same. ESCROWEE shall be liable under this Agreement only for its failure to exercise due care. It shall have a lien on all securities, moneys and documents deposited in this escrow by each party for ESCROWEE's reasonable compensation and expenses and for judgments, attorneys' fees and other liabilities which ESCROWEE may incur or sustain by reason of this escrow, and CONTINENTAL agrees to pay to the ESCROWEE upon demand all such liabilities, fees, and expenses. In case of conflicting demands upon it, ESCROWEE may withhold performance of this escrow until such time as said conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication or otherwise. ESCROWEE is not charged with knowledge of the provisions of the LEASE, and all responsibilities of ESCROWEE are set forth herein.

5. Escrow Charges. CONTINENTAL shall pay all escrow charges.

6. Resignation. ESCROWEE may resign by giving thirty (30) days written notice to OWNERS and CONTINENTAL, and thereafter, subject to the provisions of paragraph 4 hereof, ESCROWEE shall deliver all remaining deposits in said escrow upon the joint written and signed order of OWNERS and CONTINENTAL. If no such order is received by the ESCROWEE within sixty (60) days after mailing such notice ESCROWEE is unconditionally and irrevocably authorized and empowered to send any and all items deposited hereunder by registered mail to the respective depositors thereof, or at its sole option to deliver such deposited items to the respective depositors.

7. Notices. All notices shall be in writing. All notices to Charles T. Lark, Jr., George H. Lark, and the Estate of Loye Lark Lauder, deceased, shall be directed to:

Charles T. Lark, Jr.
501 Fifth Avenue
New York, New York 10017

All notices and payments to Marian C. Rushing shall be directed to:

5317 N.W. Fruit Valley Road
Vancouver, Washington 98660

All notices to CONTINENTAL shall be directed to:

4534 West North Avenue
Chicago, Illinois 60639
Attention: Legal Department

All notices to ESCROWEE shall be directed to:

111 West Monroe Street
Chicago, Illinois 60690
Attention: Corporate Trust Department

Any party by notice to all other parties may designate a new address for payments and notices to said party. Unless otherwise specified herein all notices shall be effective when sent by registered or certified mail addressed as stated above, return receipt requested.

8. Scope of Agreement. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No officer or other agent of a party is authorized to make any representation, warranty or promise not contained herein. No change, termination or attempted waiver of any of the provisions hereof shall be binding on OWNERS unless in writing or on CONTINENTAL or ESCROWEE unless in writing and signed by an officer thereof authorized to take such action. No officer or other agent of a party is authorized to agree to any change, termination or waiver of any of the provisions hereof in any other way. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of the parties to enforce any claim, whether or not liquidated, which accrued prior to the date of such modification, waiver, termination, rescission, discharge or cancellation of this Agreement, and no waiver of any provision of or default under this Agreement shall affect the right of parties thereafter to enforce said provisions or to exercise any right or remedy in the event of any other default, whether or not similar.

9. Paragraph Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

10. Counterparts. This Agreement may be executed by all parties in one or more counterparts, each of which shall be deemed a complete original copy.

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

Marian C. Rushing

Marian C. Rushing

George Lauder, not individually, but as Co-Executor of the Estate of Loye Lark Lauder, Deceased.

Charles T. Lark, Jr., Individually

Charles T. Lark, Jr., not individually, but as Co-Executor of the Estate of Loye Lark Lauder, Deceased.

George H. Lark

BANKERS TRUST COMPANY, a corporation organized under the laws of the State of New York, as Co-Executor of the Estate of Loye Lark Lauder, Deceased.

ATTEST:

By Arthur Allen

TRUST OFFICER

ASSISTANT TRUST OFFICER

CONTINENTAL QUICKSILVER, INC.

ATTEST:

By Peter A. Bauer

Peter A. Bauer, Vice President

Melvin Pollack, Asst. Secretary

HARRIS TRUST AND SAVINGS BANK

ATTEST:

By Edward A. Carlson

VICE PRESIDENT

ASSISTANT SECRETARY

Appendix A

OWNERS

Names and Addresses	Fractional Interest
Marian C. Rushing 5317 N. W. Fruit Valley Road Vancouver, Washington 98660	4/5
Charles T. Lark, Jr. 670 Summit Avenue Hackensack, New Jersey	1/15
George H. Lark P. O. Box 216 La Canada, California	1/15
Estate of Loye Lark Lauder, deceased, c/o Charles T. Lark, Jr., Co-executor 501 Fifth Avenue New York, New York 10017	1/15

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

December 2, 1965

Mr. George Selfridge
U.S. Department of the Interior
U.S. Geological Survey
Office of Minerals Exploration
Washington 25, D.C.

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 6 1965
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Re: OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Dear Mr. Selfridge:

In accordance with our conversation this morning I am attaching an advance copy of Escrow Agreement -- DeLamar Lease and Option in order to enable you to continue processing the above application.

The enclosed Escrow Agreement is now being circulated for signatures; when it is completely signed (which we expect will be prior to the end of this month) I will forward to you two certified copies of the Agreement.

Our subsidiary, Continental Quicksilver, Inc., recognizes that your office has agreed to process the above application further on the understanding that any action you take is contingent upon receipt by you of certified copies of the Escrow Agreement as executed, together with any supporting or additional documents which your legal department may require.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By Sidney M. Gunther
Sidney M. Gunther

dw
enc.
cc: D. R. MacLaren

ESCROW AGREEMENT -- DE LAMAR
LEASE AND OPTION

THIS AGREEMENT, dated December _____, 1965, among CONTINENTAL QUICKSILVER, INC., a California corporation (hereinafter called "CONTINENTAL"), MARIAN C. RUSHING, CHARLES T. LARK, JR., and those other persons or their representatives listed in Appendix A (each of whom together are hereinafter called the "OWNERS") and HARRIS TRUST AND SAVINGS BANK, Chicago, Illinois, (hereinafter called "ESCROWEE"),

W I T N E S S E T H :

A. WHEREAS, CONTINENTAL and the OWNERS have entered into the DE LAMAR LEASE AND OPTION dated October 31, 1960, as amended by the FIRST AMENDMENT thereto dated December 31, 1964 (hereinafter called the "LEASE"); and

B. WHEREAS, CONTINENTAL has exercised its option thereunder to purchase the PREMISES described in Appendix B attached to the LEASE; and

C. WHEREAS, the parties desire to establish an escrow in accordance with paragraph 3(a) of the LEASE;

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tional documents. ESCROWEE shall not deliver or return documents deposited at the closing or thereafter to anyone, except as hereinafter set forth, or in accordance with written instructions signed by CONTINENTAL and OWNERS.

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be obliged to inquire as to the identity, authority or rights of the persons executing the same. ESCROWEE shall be liable under this Agreement only for its failure to exercise due care. It shall have a lien on all securities, moneys and documents deposited in this escrow by each party for ESCROWEE's reasonable compensation and expenses and for judgments, attorneys' fees and other liabilities which ESCROWEE may incur or sustain by reason of this escrow, and CONTINENTAL agrees to pay to the ESCROWEE upon demand all such liabilities, fees, and expenses. In case of conflicting demands upon it, ESCROWEE may withhold performance of this escrow until such time as said conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication or otherwise. ESCROWEE is not charged with knowledge of the provisions of the LEASE, and all responsibilities of ESCROWEE are set forth herein.

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All notices to CONTINENTAL shall be directed to:

4534 West North Avenue
Chicago, Illinois 60639
Attention: Legal Department

All notices to ESCROWEE shall be directed to:

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Chicago, Illinois 60690
Attention: Corporate Trust Department

Any party by notice to all other parties may designate a new address for payments and notices to said party. Unless otherwise specified herein all notices shall be effective when sent by registered or certified mail addressed as stated above, return receipt requested.

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9. Paragraph Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

10. Counterparts. This Agreement may be executed by all parties in one or more counterparts, each of which shall be deemed a complete original copy.

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

Marian C. Rushing	George Lauder, not individually, but as Co-Executor of the Estate of Loye Lark Lauder, Deceased.
Charles T. Lark, Jr., individually	Charles T. Lark, Jr., not individually, but as Co-Executor of the Estate of Loye Lark Lauder, Deceased.
George H. Lark	
ATTEST:	BANKERS TRUST COMPANY, a corporation organized under the laws of the State of New York, as Co-Executor of the Estate of Loye Lark Lauder, Deceased.
	By
ATTEST:	CONTINENTAL QUICKSILVER, INC.
	By
ATTEST:	HARRIS TRUST AND SAVINGS BANK
	By

Appendix A

OWNERS

Names and Addresses	Fractional Interest
Marian C. Rushing 5317 N. W. Fruit Valley Road Vancouver, Washington 98660	4/5
Charles T. Lark, Jr. 670 Summit Avenue Hackensack, New Jersey	1/15
George H. Lark P. O. Box 216 La Canada, California	1/15
Estate of Loye Lark Lauder, deceased, c/o Charles T. Lark, Jr., Co-executor 501 Fifth Avenue New York, New York 10017	1/15

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Exploration Operations	5/27/65	
2.		
3.		
4. D R MacLaren		
5. D. R. MacLaren		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Transmittal of Application
Continental Quicksilver, Inc. (Silver)
DeLamar Mine
Owyhee County, Oregon

Will be reviewed when time permits.

INT.-DUP. SEC., WASH., D.C. M56300-62

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

May 18, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 1 1965

INITIALS	CODE

Mr. D. R. MacLaren, Acting Field Officer, OME
Office of Minerals Exploration, Region I
United States Department of the Interior
South 157 Howard Street
Spokane, Washington 99204

Re: Continental Quicksilver, Inc.

Dear Mr. MacLaren:

I find that because of the number of persons involved in execution of the MME Form 52, its execution will probably be delayed. Therefore, I am forwarding herewith two completely executed copies of OME Application dated March 29, 1965 from Continental Quicksilver, Inc. including Exhibits A, B, C, D, F, G, H and I. Exhibit E is a photocopy of the MME Form 52 which is being executed and will be forwarded for insertion in the application when it is received.

So that the application will not be delayed, we request that the enclosed original applications be processed subject to receipt of two executed copies of MME Form 52.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By Sidney M. Gunther
Sidney M. Gunther

gb

cc: C. H. Reynolds

RECEIVED
MAY 21 1965
OMA

MME Form 40
Jan. 65

RECEIVED
MAY 21 1965
O.R.G.

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 1 1965
INITIALS CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6455

DATE RECEIVED 6-1-65

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED California

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Willard Gidwitz	4534 West North Avenue Chicago, Illinois 60639	President
Gerald Gidwitz	"	Vice President
Peter A. Bauer	"	Vice President
Max H. Braun	"	Sec'y. & Treasurer
Melvin Pollack	"	Asst. Sec'y. and Asst. Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver

ESTIMATED COST OF PROJECT
$ 96,319.25

PROPERTY NAME	LOCATION COUNTY	STATE
DeLamar Mine	Owyhee	Idaho

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

March 29, 1965
DATED

BY *(Signature)*

Gerald Gidwitz, Vice President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

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

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

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

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

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

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

INDEX AND ORGANIZATION

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Introduction.

This application by Continental Quicksilver, Inc., a California corporation, (a wholly-owned subsidiary of Continental Materials Corporation) is for assistance in the exploration of the De Lamar Mountain area, De Lamar District, Owyhee County, Idaho, in which it is believed that commercial deposits of silver-bearing ores may be found. Pursuant to the regulations of the Office of Minerals Exploration, United States Department of the Interior, these attachments to MME Form 40, cover the information required. The applicant believes this undertaking has inherent in it a degree of risk greater than that normally assumed by private exploration companies, and accordingly the applicant would not normally undertake such exploration at his sole expense under current economic conditions.

1. Financial Eligibility.

(a) The applicant applied to Harris Trust and Savings Bank of Chicago (its regular bank of account and the bank of account of its parent corporation) for a loan of the amount requested by this application. Such loan was denied. The applicant also applied to Commercial Discount Corporation, of Chicago, a commercial financing institution, for such a loan, and this loan also was denied. Both lenders considered a loan of the type requested as inappropriate for them to undertake. Copies of correspondence are included as Exhibit A.

(b) The sole stockholder of applicant is:

Continental Materials Corporation
4534 West North Avenue
Chicago, Illinois 60639

No other person or corporation has any interest in applicant.

(c) Applicant's share of the cost of the exploration work will be furnished from its general funds, obtained from its parent corporation.

2. Applicant's Rights in Land.

(a) Applicant has a lease to September 30, 1965 on and an option to purchase the subject premises. This leasehold and option interest arises under De Lamar Lease and Option dated October 31, 1963 between Continental Quicksilver, Inc., and Marian C. Rushing et al., as amended by First Amendment to De Lamar Lease and Option, dated December 1, 1964. True copies (completely conformed) of these agreements are included as Exhibit B. Such agreements state the names and addresses of the owners in Appendix A (page A-1) of the De Lamar Lease and Option and on page 6 of the First Amendment.

There are no liens, mortgages, or other encumbrances on the land.

(b) The land upon which the applicant wishes to explore and which should be subject to Government royalty and liens comprises the following claims in Sections 4, 5, 8 and 9, T.5 S., R.4 W., in Owyhee County, Idaho (see Exhibits C & D).

Patented Lode Claims

Name	Survey No.	Patent No.
Boston	855	20972
Cash	859A	22255
Chicago	643A	17931
Christan Wahl	642A	17932
Crown Prince & Bismark Consolidated	923A	22257
Denver	856A	21442
Dissen	921	21977
Hidden Treasure	1264	30107
Hope	920A	22256
Iburg	1260	30600
Idaho	548	16692
London	857A	37355

Name	Survey No.	Patent No.
Louis Wahl	854	25112
Michigan	1266	29721
Malloy	1029A	30913
New York	863A	20973
Philadelphia	862A	21441
Phoebe Grace	858	21444
San Francisco	860	21443
Stoddard (Index No. 328)	- - -	12003
Torpedo	1261	30598
Wall Street	1265	34875
Wilson	547	16476
Zulu	1259	30599

Lands adjacent to the foregoing and which the applicant controls, but which should NOT be subject to Government royalty or liens include the group of unpatented claims outlined in Exhibit C, and the patented Mill Site Claims listed in Appendix B of the attached De Lamar Lease and Option (Exhibit B).

(c) The interest in the land and mineral rights not owned by the applicant is the subject of the Lien and Subordination Agreement (MME Form 52) among Marian C. Rushing et al., included as Exhibit E.

3. Physical Description.

(a) Description of Operations.

The area for which OME assistance is requested comprises the extensions of the De Lamar Mine proper, De Lamar District. This mine is described in Idaho Bureau of Mines and Geology Bulletin 11, dated December, 1926, entitled "Geology and Metalliferous Resources of the Region About Silver City, Idaho", by Arthur M. Piper and Francis B. Laney. The publication is out of print but can be obtained at most geological libraries. Messrs. Piper and Laney refer to the annual reports of the De Lamar Mining Company, and De Lamar Company, Ltd., from 1880 to 1914 as the basis of most of their information. Applicant has on file copies of these reports in its Grand Junction office. They are extremely fragile and will not stand transportation, nor can they be duplicated by any inexpensive process.

The property was operated continuously from the period 1888 to 1914, producing approximately 403,000 ounces of gold, and 5,900,000 ounces of silver, as shown by the attached copy of the table from Piper and Laney (Exhibit F).

During the summers of 1963 and 1964 applicant conducted a program of tunnel reopening, geologic mapping, geochemical and magnetometer prospecting in the area. The property is developed by extensive underground workings which are illustrated in the attached composite workings map taken from Piper and Laney (Exhibit G). None of these workings is now accessible. In the

summer of 1964 applicant reopened Sommercamp No. 4 tunnel into the Sommercamp vein system, a distance of approximately 600 feet, but the tunnel immediately recaved and work was abandoned. From the condition of the underground workings where they penetrate altered rock, further reopening is not considered advisable.

Applicant attempted to explore the surface areas considered favorable by bulldozer trenching. It found that the intensely altered rocks weathered to sticky clays enclosing boulders and larger masses of silicified porphyry. This combination is extremely difficult to trench with ordinary equipment. Further trenching must be done with equipment the size of a D-9 hydraulic dozer.

(b) Interest.

Applicant has no interest or participation in the operations described above, other than the work mentioned.

(c) Production.

There is no current production from this property. Past production is reflected in the table from Piper and Laney (Exhibit F).

(d) Ore Reserves.

There are no known ore reserves.

(e) Geologic Features.

The De Lamar Mine was the only principal producer in the so-called De Lamar District, which is the western portion of the Greater Silver City Mining District, described by Piper and Laney.

In this area an east-west flowing section of Jordan Creek passes on the north side of the property. The property itself covers De Lamar Mountain, rising to an elevation of 6,500 feet approximately 1,000 feet above Jordan Creek. Three principal groups of rocks are exposed on De Lamar Mountain. The oldest is a thick series of basalts whose base is not exposed. The next youngest rocks are rhyolite lake beds, tuffs and pyritic volcanics whose detailed stratigraphy is obscured by an all pervasive clay-pyrite alteration believed to be duteric in origin and not directly related to mineralization. A quartz porphyry mass occupies the upper parts of De Lamar Mountain in a great area to the south and west. The stratigraphic relations of this mass are unknown. The only contacts observed in the field have been fault contacts seen in the reopened underground workings. The general shape of the mass and its areal distribution leads to the belief that this quartz porphyry mass (Porphyritic Quartz Eye Rhyolite on geologic map) are most likely those of an irregular intrusive sill. This rock is the host to all of the known production in the De Lamar District, with the exception of narrow gold-bearing veins found randomly in the basalt and younger rhyolites. The principal structural trends in the area are east-west faults along the borders of the quartz porphyry intrusive. There are two principal faults, the De Lamar Fault and the Chautauqua Fault. The De Lamar Fault is an east-west structure dipping approximately 25° to the south, located on the hanging wall side of the quartz-porphyry mass.

The Chautauqua Fault is a similar parallel structure on the footwall side of the quartz-porphyry mass. North-south faulting in the overlying and underlying rocks is common, as can be seen on the attached geologic map, Exhibit C. Behavior of the De Lamar and Chautauqua Faults, easterly and westerly from the mine area is unknown due to the lack of surface exposures and underground workings. The important secondary structures are northwest trending silicified fault zones which have been productive. One of the principal veins in the De Lamar Mine belongs to this series, the so-called 77 structure. The Idaho, Zulu and Sommercamp veins also belong to these structures. Other similar structures in the district are the Webfoot, Stoddard, Bella Cora and Henrietta. These northwest silicified zones have not been the principal producers in the De Lamar Mine.

Principal production actually came from a series of gash veins standing steeply alongside the 77 structure and the Idaho structure in the De Lamar Mine. Many more of these veins have been found and most of them have been productive. They, however, have a very short strike length, rarely exceeding 500 to 600 feet and generally 100 to 200 feet. They are productive only near a hanging wall structure such as the De Lamar Fault in the main De Lamar Mine and the so-called Sommercamp Fault in the Sommercamp area, and thence downwards vertically 200 feet and in extreme cases 300 feet. Beyond the ends of the stope area they die out as tight cracks with

minor amounts of quartz and some fluorite. The De Lamar mineralization may be described as typical epithermal fissure filling of tension cracks related in some fashion to the major faulting along the edges of the quartz porphyry intrusive. Where followed downward vertically the 77 Vein persists in depth but it is barren. The ore with increasing depth lies in the intersection between the De Lamar Fault and the 77 Vein and in the shattered zone a few hundred feet in strike length and 200 to 300 feet vertically.

(f) Reasons for Expecting to Find Ore.

In addition to the above analysis, other reasons for expecting to find ore include the strength of the geologic structures, the De Lamar Fault and the 77 Vein, and their persistent mineralization from the surface to the greatest depth where this intersection was explored. In applicant's opinion, this area can best be explored by drilling from the surface, inasmuch as underground work for exploratory purposes, would be extremely costly.

(g) Reports, Maps, Etc.

There are no reports, maps or similar material.

4. Accessibility of Property.

(a) Mr. C. H. Reynolds, 820 South 9th Street, Grand Junction, Colorado, 303-243-2100, is available upon reasonable notice to guide an OME representative to the property.

The property can best be reached by an unimproved gravel road from Jordan Valley, Oregon, to the abandoned mining camp of De Lamar on Jordan Creek, a distance of 18 miles. The property can be traversed entirely with a pick-up truck, but it is not recommended that a low-slung vehicle be used. There are no accessible mine workings.

(b) The nearest shipping point on the railroad is Marsing, Idaho. The principal supply points for operation in the area are Jordan Valley, Oregon, for day to day supplies and Nampa and Boise, Idaho, for machine supplies. The distance from the property to Marsing is 62 miles. The distance from the property to Boise is 100 miles.

5. Exploration Work.

(a) Applicant proposes to explore the De Lamar and Sommercamp vein zones by surface drill holes on the De Lamar projection. It will drill eight drill holes calculated to intersect at the 10th, 12th, 14th and 16th levels of the old mine workings, and it will explore the Sommercamp zone by a hole calculated to intercept at about the 14th level of the old mine. These holes will be drilled from the surface in a northeasterly direction with an average inclination of -50°. Each of the 9 holes projected will be an average of 857 feet in length, for a total of 7,715 feet of diamond drilling. No other work is proposed in conjunction with this OME contract, although with its own funds, applicant plans to continue exploration by surface trenching and/or diamond drilling of other areas which at some later date may be sufficiently well understood to permit intelligent layout of a physical exploration program. At such time further OME funds may be requested.

All holes will be collared NX and finished AX where possible. Cores will be sampled by standard engineering methods. Samples will be required for an estimated 200 feet per hole for a total of 360 samples of conventional 5 foot maximum length. Samples will be assayed for gold and silver. It is expected that the principal metalliferous content will be silver.

(b) It will be necessary to construct short access roads totalling 5,000 feet for this drilling. Water will be hauled to all of the drill holes from Jordan Creek, a distance of approximately a mile and one-half.

(c) From the date of advice of execution of an OME contract, 30 days time will be required to initiate drilling. Because of the severe winter season, it is hoped that this work can be done during a summer field season, beginning not later than June 15, 1965. Drilling will be done by two separate rigs simultaneously, working two shifts per day, 6 days per week. A normal advance of 20 feet per shift may be expected permitting completion of approximately 480 feet of hole per week. On this basis, the project is expected to require 24 weeks, terminating not later than December 15, 1965, weather permitting.

80'/day

6. Experience.

Continental Quicksilver, Inc., holder of the De Lamar property, is a wholly-owned subsidiary of Continental Materials Corporation, a Delaware corporation, incorporated in 1954 as "Continental Uranium, Inc." and listed on the American Stock Exchange.

Since its inception Continental Materials Corporation, itself or through wholly-owned subsidiaries, has been continuously engaged in production, development and exploration of mining properties. Its principal operations, all conducted by its own Mining Division, include the following:

Continental No. 1 Mine, San Juan County, Utah. Underground, open stoping, with random pillar support, using trackless diesel equipment. Induced caving following pillar extraction. Production of 77,000 tons of uranium ore, 1954-1958.

Rattlesnake Mines, San Juan County, Utah. Initially open pit uranium operation with 2.5 million yards of waste stripped to produce 173,000 tons of ore. Subsequent underground production similar to Continental No. 1 amounted to 93,000 tons, 1956-1964.

Seismic and Reserve Mines, Fremont County, Wyoming. Underground, open stoping with both induced caving and sand filling using slushers with rail haulage. Production of 200 tons per day of uranium ore from two vertical shafts. Production of 385,000 tons, 1958-1964.

Texwood Mine, San Juan County, Utah. A joint venture with Atlas Minerals, Inc. Underground, open stoping, with random pillar support, using trackless diesel equipment. Induced caving following pillar recovery. Operated by Continental personnel through incline shaft, with production of 160 tons of uranium ore per day since October, 1963.

In addition, several smaller properties have been operated as uranium and precious metal producers.

All activities of the Mining Division have been performed by company staff. This includes supervising exploration drilling, estimating reserves, conducting feasibility studies, planning development systems, determining mining methods, designing and constructing mine plants, performing shaft sinking and selecting production equipment.

Present Mining Division personnel:

Administrative & Supervisory	5
Technical	5
Accounting	3
Hourly Employees	45

The Mining Division employees who will be responsible for the De Lamar operations include the following:

C. H. Reynolds	General Superintendent of Mining Division of Continental Materials Corporation and subsidiaries.
Gerald Brooke	Geologist

A resume of the professional experience and background of such employees follows.

GERALD L. BROOKE

Biographical Data:
Born - 1924
B.S. in Geology - Michigan State University, 1949
M.S. in Geology - Michigan State University, 1951
Member:
Society of Economic Geologists, 1951 - Sigma Xi

Professional Experience:

1943-1947.....U.S. Navy (pilot)

1951-1953.....U.S. Atomic Energy Commission, Grand Junction, Colorado - Geologist and Geophysicist. Uranium exploration - property examinations, mapping, sampling, drilling, ore reserve evaluation. Air-borne scintillation surveys, scintillation probe research, interpretation and administration.

1953-1955.....Vernon Pick & Co., Grand Junction, Colorado - Geologist, Uranium exploration - property examinations, Air-borne scintillation surveys.

1955-to Date...Continental Materials Corp., Grand Junction, Colorado - Geologist. Property examinations and mineral exploration - mapping, trenching, sampling, drilling, geo-physical surveys, ore reserve calculations.

C. H. REYNOLDS

Biographical data:

Born 1918

B. S. in Mining Engineering, Mackay School of Mines, University of Nevada, 1943

Member:

American Institute of Mining and Metallurgical Engineers, 1946
Past Chairman of Colorado Plateau Section, 1961
Nu Eta Epsilon, Honorary Engineering Society

Professional Experience:

1943-1944.....Basic Refractories, Inc., Gabbs, Nevada, mining engineer. Duties consisted of establishing engineering control, conducting cost studies, pit design and planning for open pit mining of Brucite (Mg OH2) deposit. Conducted engineering and sampling procedures for rigid quality control. Supervised initial pilot plant studies to beneficiate ore.

1944-1946.....South Pacific Area, United States Marine Corps.

1946-1947.....Bunker Hill and Sullivan Mining and Concentrating Co., Coeur d'Alene district -- geologist, mine operating geology, detailed mapping of development work and outside properties.

1947-1955.....Sidney Mining Co., Coeur d'Alene District, Engineer-Geologist to 1951; chief engineer to 1953; mine superintendent to 1955. Integrated Pb-Zn mining and milling operation with new (1947) modern selective flotation plant; 250 tpd. capacity. Underground vein mine with shrinkage and cut and fill stoping. In responsible charge of extensive exploration and development program, including 1000 feet shaft deepening project and attendant installation and level development.

1955- .....Continental Materials Corporation -- General Superintendent of Mining Division, organized mining department and brought properties into production from initial drilling. In charge of staff -- operating, technical, accounting -- engaged in mining activities, property evaluation, exploration projects.

7. Estimate of Costs.

(a) Independent Contracts.

Applicant proposes to let a drilling contract to the lowest bidder.

Drilling Contract Costs: A total of 7,715 feet will be drilled in 7 holes. 8 holes

2,250' @ $7.28/ft.	=	$ 16,380.00
2,250' @ $7.28/ft.	=	16,380.00
2,250' @ $7.88/ft.	=	17,730.00
965' @ $8.45/ft.	=	8,154.25
Direct costs		$ 58,644.25

Indirect costs estimate:

1. Mobilization (2 rigs)	$ 1,575.00
2. Drilling & casing overburden - 20'/hole @ $5.10/ft. over regular	1,000.00
3. Cementing-10 hrs./hole @ $12.00/hr.	1,200.00
4. Moving-one 8 hr. shift/hole @ $11.00/hr.	1,000.00
5. Reaming-1,500' @ $3.95/ft.	6,000.00
6. Casing left in hole-1,000' @ $3.80/ft.	3,800.00
7. Drill site preparation-40 hrs. @ $15.00/hr.	600.00
8. Sampling-360 samples @ $5.00/sample (Au & Ag)	1,800.00
Indirect Costs	$ 16,975.00
Total direct and indirect	$ 75,619.25

(b) Personal Services.

The work will be supervised by one geologist, a geologist helper and occasional visits by a consultant.

Salary:	
Geologist	$ 6,000.00
Geologist Helper ?	3,000.00
Consultant	3,000.00
Expenses:	
Geologist	3,500.00
Geologist Helper	2,000.00
Consultant	1,500.00
Total	$ 19,000.00

(c) Operating Materials & Supplies.

Applicant estimates that 260 core boxes will be needed, plus a building to be used for storage, etc.

260 boxes @ $5/box ?	$ 1,300.00	High ?
Rental on building to be used as core shack	250.00	
Total	$ 1,550.00	

(d) Operating Equipment.

Two Joy Core Splitters @ $75 ea.	$ 150.00	why 2 splitters

(e) Initial Rehabilitation and Repair.

None.

(f) New Buildings, Fixtures, Installations.

None

(g) Miscellaneous.

Included above.

TOTAL COST OF PROJECT	$ 96,319.25

The applicant's parent company, Continental Materials Corporation, itself or through subsidiaries, has performed exploration pursuant to prior contracts, as follows:

Docket & Contract	Commodity	Amount of Government Participation	Date Repaid
DMEA-3688 Idm-E 827	Uranium	$ 20,322.08	December, 1958
DMEA-3297 Idm-E 800	Uranium	$ 25,821.41	December, 1964
OME-6236 2148	Gold-Silver	$ 33,733.70	Currently Producing

This application has been prepared by the staff of Continental Materials Corporation, parent company of Continental Quicksilver, Inc.

General administration of all matters pursuant to this program will be under the direction of C. H. Reynolds, General Superintendent, who is authorized to take all action on behalf of the applicant necessary or desirable to effectuate this program, including the execution on behalf of the applicant of amendments to this application or of other documents.

Respectfully submitted,

CONTINENTAL QUICKSILVER, INC.

Gerald Gidwitz, Vice President

Exhibit A

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

April 21, 1965

Mr. Gregg A. Hunter
Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Dear Mr. Hunter:

Continental Quicksilver, Inc., a subsidiary of Continental Materials Corporation, holds a silver property in Southwest Idaho. This property includes a former producing mine.

Based upon work done by our Mining Staff, we believe that this property has a sufficient likelihood of success to justify an exploration program which would total approximately $100,000. We would like to borrow about three-quarters of this, or $75,000, from the Harris Trust and Savings Bank. The loan would be repayable out of production from this property. There would be no personal liability by Continental Quicksilver, Inc. or its parent corporation.

I am prepared to furnish your bank complete details concerning the property and the program we propose. However, I would like a preliminary indication as to whether your bank would be willing to consider such a loan and on what terms.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By Peter A. Bauer
Peter A. Bauer

/mah

HARRIS *Trust and Savings* BANK

ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

111 WEST MONROE STREET CHICAGO, ILLINOIS 60690

TELEPHONE: 461-2121
Area Code 312

May 18, 1965

Mr. Peter A. Bauer
Continental Materials Corporation
4534 West North Avenue
Chicago, Illinois 60639

Dear Mr. Bauer: Continental Quicksilver, Inc.

I have your letter of April 21, 1965 requesting a loan be made by the Company from us in the amount of $75,000. The purpose of the loan would be to finance in part an exploration program. You further state there would be no guaranty on the part of the parent corporation nor would the obligation be a personal one of the Company, the source of the funds for repayment of the loan to arise solely from the proceeds arising out of the production from the specific property.

I must advise you that the speculative nature of the aforedescribed transaction is such that we are unable to grant the request for credit accommodations made by the Company.

Very truly yours,

Gregg A. Hunter
Vice President

Gregg A. Hunter
MC

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

March 30, 1965

Mr. Frank Bergen
Commercial Discount Corporation
105 West Adams Street
Chicago, Illinois 60604

Dear Mr. Bergen:

Continental Quicksilver, Inc., a subsidiary of Continental Materials Corporation, holds a silver property in Southwest Idaho. This property includes a former producing mine.

Based upon work done by our Mining Staff, we believe that this property has a sufficient likelihood of success to justify an exploration program which would total approximately $100,000. We would like to borrow about three-quarters of this, or $75,000, from Commercial Discount Corporation.

I am prepared to furnish your company complete details concerning the property and the program we propose. However, I would like a preliminary indication as to whether your company would be willing to consider such a loan and on what terms.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By Peter A. Bauer

Peter A. Bauer

gb

Commercial Discount Corporation
Commercial Financing
105 WEST ADAMS STREET
TELEPHONE 263-5800
Chicago
60603

April 22, 1965

Continental Materials Corporation
453 West North Avenue
Chicago, Illinois 60639

Attention: Mr. Peter A. Bauer

Gentlemen:

We have reviewed the information you have presented to us on Continental Quicksilver, Inc., in connection with your request for a $75,000 loan to institute an exploration program.

This type of loan is not within the scope of our financing services and we therefore, are unable to grant the loan you have requested.

Thank you for giving us the opportunity to consider this request.

Very truly yours,

COMMERCIAL DISCOUNT CORPORATION

Frank R. Bergen
Vice President

FRB:mm

Exhibit B

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 1 1965
INITIALS | CODE

DE LAMAR
LEASE AND OPTION

THIS AGREEMENT, dated October 31, 1963, between CONTINENTAL QUICKSILVER, INC., a California corporation (hereinafter called "CONTINENTAL") and MARIAN C. RUSHING, CHARLES T. LARK, JR., and those other persons listed in Appendix A (each of whom individually is hereinafter called an "OWNER" and together all are called the "OWNERS");

W I T N E S S E T H:

WHEREAS, each OWNER owns the undivided fractional interest set forth after his name in Appendix A in those patented mining claims and mill sites located in Owyhee County, Idaho, as described in Appendix B, which claims are hereinafter called the "PREMISES";

NOW, THEREFORE, CONTINENTAL and the OWNERS agree as follows:

1. Lease. For and in consideration of Ten ($10) Dollars each paid to the OWNERS set forth in Appendix A (or a total of Forty ($40) Dollars) and other considerations, receipt of which the OWNERS hereby acknowledge, the OWNERS hereby lease the PREMISES to CONTINENTAL beginning on the date of this Agreement and continuing until January 31, 1965, together with:

(a) All minerals and mineral rights in the PREMISES; and

(b) The exclusive right and privilege to mine and sell all minerals from the PREMISES; and

(c) So much of the use of the surface and water rights as may be necessary or convenient to explore or mine the PREMISES.

CONTINENTAL hereby accepts this lease. Upon termination of this Agreement, the term of this lease shall end, but CONTINENTAL shall not be relieved of any obligation to make payments with respect to ore mined by CONTINENTAL from the PREMISES during the term of this lease and sold.

2. Options and Percentage Payments. The OWNERS hereby grant to CONTINENTAL an option to purchase all of the fee simple interest in the PREMISES for a purchase price of One Million ($1,000,000) Dollars, which option may be exercised by notice of at least forty five (45) days, served on the OWNERS on or before December 31, 1964. Upon exercise of the option CONTINENTAL will pay the purchase price to the OWNERS either by PERCENTAGE PAYMENTS as set forth below in this paragraph 2 (including any such PERCENTAGE PAYMENTS previously made) or by payments set forth in paragraph 3, and CONTINENTAL shall have exclusive possession of the PREMISES until the termination of this Agreement.

(a) Effective immediately and continuing for and during the term of the lease and after any exercise by CONTINENTAL of the option, CONTINENTAL will make payments to the OWNERS on or about the 20th day of each calendar month, which payments shall be equal to ten per cent (10%) of net smelter returns received by CONTINENTAL during the preceding month from the sale of all ore or concentrate from ore mined from the PREMISES. All such payments made during the term of the lease or after exercise by CONTINENTAL of the option and until the purchase price is fully paid, shall be deemed to have been made to apply on the purchase price.

(b) The term "net smelter return" means all receipts by CONTINENTAL from the sale of ore or concentrate from ore as shown on each settlement sheet or remittance statement, after deducting all payments to and charges by a mill or smelter and after deducting all charges and payments for transportation prior to sale with respect to such ore sold or with respect to ore beneficiated into concentrate sold, other than transportation for hauling

ore from the PREMISES to a mill located within 50 miles of the PREMISES. Charges by a mill owned by CONTINENTAL or by any corporation controlling, controlled by or under common control with CONTINENTAL shall not include any profit.

(c) All PERCENTAGE PAYMENTS by CONTINENTAL will be accompanied by a copy of each settlement sheet or remittance statement pertaining to the receipts on which such PERCENTAGE PAYMENT is based.

(d) CONTINENTAL may arrange with any mill, smelter or other ore buyer to make any PERCENTAGE PAYMENTS and to transmit copies of settlement sheets or remittance statements directly to the OWNERS.

(e) All PERCENTAGE PAYMENTS to OWNERS will be made by paying to each OWNER pro rata according to the fractional interest set forth after his name in Appendix A.

3. Exercise of Option. Upon exercise of the option by CONTINENTAL, the parties shall take the actions set forth below.

(a) At a closing to be held at Harris Trust and Savings Bank (hereinafter called "HARRIS BANK") in Chicago, Illinois, at a time stated by notice of exercise, which time shall be at least forty five (45) days after service of such notice, CONTINENTAL will pay to the OWNERS Five Thousand ($5,000) Dollars to apply on the purchase price, and the OWNERS will place in escrow a deed executed by all OWNERS and their spouses, in form suitable for recording, effective to convey to CONTINENTAL (or as CONTINENTAL may direct) the entire fee simple interest in the PREMISES. Such escrow will be established at HARRIS BANK or with such other escrowee as the parties may designate, and will provide for delivery of the

deed upon payment to OWNERS of the total amount of the purchase price, and upon such delivery this Agreement shall terminate. CONTINENTAL will pay all charges of HARRIS BANK in connection with such closing and escrow.

(b) After exercise of the option, on or about the first day of February of each year, CONTINENTAL will make payments to OWNERS to apply on the purchase price of such amount, if any, as may be necessary to increase the total of all payments made to the OWNERS through the prior December 31 to the amounts stated in Column 3 below. The total of all payments made to the OWNERS shall include PERCENTAGE PAYMENTS, the payment pursuant to subparagraph 3(a) above, payments pursuant to this subparagraph 3(b), and payments pursuant to subparagraph 3(c) below.

1 Date	2 Increase in Cumulative Total	3 Cumulative Total
December 31, 1964	$ 5,000	$ 5,000
December 31, 1965	5,000	10,000
December 31, 1966	5,000	15,000
December 31, 1967	5,000	20,000
December 31, 1968	10,000	30,000
December 31, 1969	10,000	40,000
December 31, 1970	20,000	60,000
December 31, 1971	20,000	80,000
December 31, 1972	20,000	100,000
December 31, 1973	25,000	125,000
December 31, 1974	75,000	200,000
December 31, 1975	75,000	275,000
December 31, 1976	75,000	350,000
December 31, 1977	75,000	425,000
December 31, 1978	75,000	500,000
December 31, 1979	100,000	600,000
December 31, 1980	100,000	700,000
December 31, 1981	100,000	800,000
December 31, 1982	100,000	900,000
December 31, 1983	100,000	1,000,000
	$1,000,000	

To the extent that all PERCENTAGE PAYMENTS previously made, together with all payments previously made pursuant to subparagraph 3(a), this subparagraph 3(b) or subparagraph 3(c)

exceed the cumulative total in column 3 above, the excess shall be credited against such cumulative total, and no further minimum payments shall become due under this subparagraph 3(b) until the cumulative total in column 3 above then due shall exceed the cumulative total of all payments previously made as PERCENTAGE PAYMENTS, or as payments pursuant to subparagraph 3(a), this subparagraph 3(b), or subparagraph 3(c).

(c) At its option CONTINENTAL may make additional payments to OWNERS to apply on the purchase price.

All payments to OWNERS will be made by paying to each OWNER pro rata according to the fractional interest set forth after his name in Appendix A.

4. Operations. CONTINENTAL will promptly enter upon the PREMISES, weather permitting, and will commence field work and conduct an examination and investigation, diligently pursuing all appropriate work, including such re-opening of old workings, surface and underground exploration, drilling, trenching, sampling and assaying, as it shall deem appropriate.

5. Indemnification. CONTINENTAL will indemnify and hold harmless the OWNERS from all costs, expense and liabilities arising from all acts of CONTINENTAL, including all labor and materialmen's liens filed against the PREMISES arising from operations of CONTINENTAL. CONTINENTAL will cause its parent corporation, Continental Materials Corporation, a Delaware corporation, to execute a guarantee substantially in the form attached as Appendix C, guaranteeing the foregoing undertaking with respect to labor and materialmen's liens. CONTINENTAL will carry workmen's compensation and such other employee insurance as may be required pursuant to the laws of the State of Idaho for all persons employed by CONTINENTAL in and upon the PREMISES. CONTINENTAL will carry public liability insurance of at least Two Hundred Fifty Thousand ($250,000) Dollars with respect to its operations on the PREMISES.

6. Reports. CONTINENTAL will furnish to OWNERS copies of all annual certified financial statements and audit reports it receives, and copies of statements and reports it makes to the State of Idaho or any of its agencies, but CONTINENTAL need not secure any statements or reports it would not otherwise receive or make.

7. CONTINENTAL's Undertakings. CONTINENTAL will do each of the following until termination of this Agreement:

(a) pay all property taxes and special assessments pertaining to the PREMISES;

(b) operate the PREMISES in a workmanlike and minerlike manner;

(c) perform work in respect of the PREMISES (including work of any nature performed at the PREMISES or elsewhere) or make payments to OWNERS pursuant to paragraph 2 or 3, in an amount equal:

(i) at December 31, 1964 to $15,000; and

(ii) at any time after December 31, 1964 to $25,000 times the number of completed years after December 31, 1964, plus $15,000;

(d) upon reasonable request make available to OWNERS for examination or copying all operating and accounting records of CONTINENTAL pertaining to the PREMISES or CONTINENTAL's operations, including all engineering reports, maps, assay reports, and smelter returns and settlements. Upon surrender by CONTINENTAL of the PREMISES prior to payment of the full purchase price, CONTINENTAL will deliver to OWNERS originals or copies of maps, reports and other summaries of operating data pertaining to the PREMISES;

(e) protect and preserve the interests of the OWNERS in water rights, rights-of-way, or rights appurtenant to the PREMISES, and will acquire in or transfer to the names of the OWNERS all such rights CONTINENTAL may acquire in respect of the PREMISES.

8. OWNERS' Acts. The OWNERS:

(a) will make available to CONTINENTAL all writings coming under the OWNERS' control relating to the location or title of the PREMISES;

(b) will deliver to CONTINENTAL originals or copies of all written communications and will by notice advise CONTINENTAL of all oral communications relating to the PREMISES which might affect CONTINENTAL;

(c) upon request from CONTINENTAL by notice will promptly take such action as may be necessary or desirable to terminate in thirty (30) days any then existing grazing lease on the PREMISES;

(d) will cooperate with CONTINENTAL in securing Office of Mineral Exploration and other loans for exploration, development and mining of the PREMISES, without personal liability to the OWNERS;

(e) will do all acts and execute all documents necessary or convenient to effectuate any covenant of the OWNERS; and

(f) may at all reasonable times in person or by agent enter in and upon all parts of the PREMISES for the purpose of inspection. All such entries shall be at the sole expense and risk of the OWNERS and without unreasonably interfering with CONTINENTAL's operation.

9. Quiet Enjoyment. CONTINENTAL may take such action as it deems necessary or convenient to hold and defend its interest in the PREMISES against all persons, and the OWNERS will cooperate with CONTINENTAL in such action, without expense to the OWNERS.

10. Surrender. CONTINENTAL may at any time by notice to the OWNERS surrender the PREMISES and terminate this Agreement, effective thirty (30) days after such notice.

11. Warranties. OWNERS warrant that each OWNER owns that fractional interest set forth after his name in Appendix A in fee simple in the PREMISES.

12. Removal of Property. During the term of the lease and for ninety (90) days after the termination of this Agreement, CONTINENTAL may remove all fixtures and personal property placed or erected on the PREMISES by CONTINENTAL other than rail, if any, from the mine to a mill, and other than buried utility lines, and may remove all ore mined from the PREMISES during the term of the lease. Any ore mined and remaining after such ninety (90) day period shall be the property of OWNERS.

13. Notices. All notices shall be in writing. All payments to Charles T. Lark, Jr., George H. Lark and Loye Lark Lauder may be combined in a single check payable to "Charles T. Lark, Jr. Ranch Account". All payments and notices to such OWNERS may be directed to:

Charles T. Lark, Jr.
501 Fifth Avenue
New York, New York 10017

All notices and payments to Marian C. Rushing may be directed to:

5317 N.W. Fruit Valley Road
Vancouver, Washington 98660

All notices to CONTINENTAL shall be directed to:

4534 West North Avenue
Chicago, Illinois 60639
Attention: Legal Department

Any party by notice to all other parties may designate a new address for payments and notices to said party. Unless otherwise specified herein, all notices shall be effective when sent by registered or certified mail addressed as stated above.

14. Termination. If CONTINENTAL defaults in the performance of any covenant or condition hereof, the OWNERS may deliver notice to CONTINENTAL specifying in detail the default and if such default shall not be corrected or remedied within sixty (60) days after receipt by CONTINENTAL of such notice, the OWNERS at their election may:

(a) recover damages for such default in performance of any such covenant or condition;

(b) enjoin the continuance of such default in performance or secure specific performance of any such covenant; or

(c) declare this Agreement forfeited and terminated, but if after a final court or other mutually acceptable determination of such default CONTINENTAL corrects or remedies such default within thirty (30) days thereafter, such declaration of forfeiture and termination shall be deemed rescinded and of no further force or effect. Upon such final termination CONTINENTAL will promptly vacate the PREMISES and deliver to OWNERS a quit claim deed of CONTINENTAL's interest.

CONTINENTAL may remedy any default by paying to the OWNERS compensatory money damages. CONTINENTAL shall be deemed to have corrected or remedied any default when CONTINENTAL shall in good faith commence action to correct or remedy such default if such action shall be prosecuted thereafter with due diligence.

15. Force Majeure. CONTINENTAL shall not be considered in default if CONTINENTAL's failure to perform any covenant or condition of this Agreement is caused by any circumstances not within the control of CONTINENTAL. The settlement of a labor dispute shall not be considered to be within the control of CONTINENTAL. Financial inability to make any payment shall not be considered beyond the control of CONTINENTAL.

16. Assignment. All the terms, covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the administrators, executors, heirs, successors and assigns of the respective parties.

(a) The rights of any OWNER hereunder may be assigned in whole or in part. No change or division in ownership of any OWNER's interest in any payment, however accomplished, shall operate or create to enlarge any obligation or diminish any right of CONTINENTAL, or be binding upon CONTINENTAL for any purpose until receipt by CONTINENTAL of a notice signed by or on behalf of such OWNER and all successors, stating the nature of the change or division and stating the single person and address to which all future notices and payments applicable to such OWNER may be directed by CONTINENTAL.

(b) CONTINENTAL may assign this Agreement to Continental Materials Corporation, a Delaware corporation, a subsidiary of Continental Materials Corporation, or with the consent of OWNERS, which consent will not be unreasonably withheld, to anyone. Upon notice to the OWNERS, the assignee shall be substituted in the place and stead of CONTINENTAL from the date of the assignment, and thereafter CONTINENTAL shall remain liable for all its obligations, if any, accrued prior to the date of such assignment but shall have no further rights or liabilities under this Agreement as to acts subsequent to the assignment.

17. Scope of Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No officer or other agent of the parties is authorized to make any representation, warranty or promise not contained herein. No change, termination or attempted waiver of any of the provisions hereof shall be binding on OWNERS unless in writing or on CONTINENTAL unless in writing and signed by an officer of CONTINENTAL authorized to take such action. No officer or other agent of the parties is authorized to agree to any change, termination or waiver of any of the provisions hereof in any other way. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of the parties to enforce any claim, whether or not liquidated, which accrued prior to the date of such modification, waiver, termination, rescission, discharge or cancellation of this Agreement, and no waiver of any provision of or default under this Agreement shall affect the right of parties thereafter to enforce said provisions or to exercise any right or remedy in the event of any other default, whether or not similar.

18. Paragraph Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

19. Counterparts. This Agreement may be executed by all parties in one or more counterparts, each of which shall be deemed a complete original copy.

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

Marian C. Rushing

Marian C. Rushing

Consented to by Spouses:

Thelma H. Lark

Thelma H. Lark
(Mrs. Charles T. Lark, Jr.)

Charles T. Lark, Jr.

Hedda G. Lark

Hedda G. Lark
(Mrs. George H. Lark)

George H. Lark

(George Lauder)

Loye Lark Lauder

CONTINENTAL QUICKSILVER, INC.

By

Gerald Gidwitz

ATTEST:

Melvin Pollack

Melvin Pollack

XERO COPY XERO COPY XERO COPY XERO COPY

STATE OF WASHINGTON)
) SS.
COUNTY OF CLARK)

On this 27th day of November, 1963, before me, a Notary Public personally appeared Marian C. Rushing known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public
Residing at: Vancouver, Washington

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

On this 14 day of Nov., 1963, before me, a Notary Public personally appeared Charles T. Lark, Jr., known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

ARTHUR E. SULLIVAN
Notary Public, State Of New York
No. 60-9238350
Qualified in Westchester County
Commission Expires March 30, 1964

Notary Public
Residing at: 207 Elm Road,
Briarcliff Manor, N. Y

XERO COPY XERO COPY XERO COPY XERO COPY

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 22nd day of November, 1963, before me, a Notary Public, personally appeared George H. Lark, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Samuel E. Ewing Jr.
Notary Public
Residing at: 2715 Foothill Blvd
La Crescenta Calif

SAMUEL E. EWING, JR.
My Commission Expires April 23, 1966

STATE OF CONNECTICUT)
) SS.
COUNTY OF FAIRFIELD)

On this 21st day of November, 1963, before me, a Notary Public, personally appeared Loye Lark Lauder, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Francis W. McAndrews, Notary Public
My Commission Expires April 1, 1968

Francis W. McAndrews
Notary Public
Residing at: 24 Perryridge Road
Greenwich, Conn.

Francis W. McAndrews, Notary Public
My Commission Expires April 1, 1968

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 24th day of December, 1963, before me, a Notary Public, personally appeared Gerald Gidwitz, known to me to be the Vice President of the corporation that executed the above instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Ruth Baron
Notary Public
Residing at: Chicago, Illinois

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APPENDIX A

OWNERS

Names and Addresses	Fractional Interest
Marian C. Rushing 5317 N.W. Fruit Valley Road Vancouver, Washington 98660	4/5
Charles T. Lark, Jr. 670 Summit Avenue Hackensack, New Jersey	1/15
George H. Lark P.O. Box 216 La Canada, California	1/15
Loye Lark Lauder P.O. Box 1063 Greenwich, Connecticut	1/15

APPENDIX B

CLAIMS

Lode Claims	Survey	Patent
Boston	855	20972
Cash	859A	22255
Chicago	643A	17931
Christian Wahl	642A	17932
Crown Prince & Bismark Consolidated	923A	22257
Denver	856A	21442
Dissen	921	21977
Hidden Treasure	1264	30107
Hope	920A	22256
Iburg	1260	30600
Idaho	548	16692
London	857A	37355
Louis Wahl	854	25112
Michigan	1266	29721
Malloy	1029A	30913
New York	863A	20973
Philadelphia	862A	21441
Phoebe Grace	858	21444
San Francisco	860	21443
Stoddard (Index No. 328)	--	12003
Torpedo	1261	30598
Wall Street	1265	34875
Wilson	547	16476
Zulu	1259	30599

Mill Site Claims	Survey	Patent
Cash	859B	22255
Chicago	643B	17931
Christian Wahl	642B	17932
Crown Prince & Bismark Consolidated	923B	22257
DeLamar	1024	25782
Denver	856B	21442
Hope	920B	22256
London	857B	27355
New York	863B	20973
Philadelphia	862B	21441
Wilson	652	17933

APPENDIX C

GUARANTEE

Continental Materials Corporation, a Delaware corporation, hereby guarantees to those persons designated as OWNERS in the foregoing De Lamar Lease and Option, that its subsidiary, Continental Quicksilver, Inc., a California corporation, will indemnify and hold harmless the OWNERS from all labor and materialmen's liens filed against the PREMISES as defined in such De Lamar Lease and Option, arising from operations of Continental Quicksilver, Inc.

Dated: October 31, 1963

CONTINENTAL MATERIALS CORPORATION

ATTEST:

Max H. Braun, Secretary

By Peter A. Bauer, Vice President

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CONFORMED COPY

FIRST AMENDMENT TO

DE LAMAR LEASE AND OPTION

THIS AGREEMENT, dated December 1, 1964, between CONTINENTAL QUICKSILVER, INC., a California corporation (hereinafter called "CONTINENTAL") and MARIAN C. RUSHING, CHARLES T. LARK, JR., individually, and those other persons who have signed this Agreement (each of whom together are called the "OWNERS");

W I T N E S S E T H:

A. WHEREAS, on October 31, 1963, Continental Quicksilver, Inc., Marian C. Rushing, Charles T. Lark, Jr., individually, George H. Lark and Loye Lark Lauder entered into the De Lamar Lease and Option embracing certain property in Owyhee County, Idaho; and

B. WHEREAS, on September 28, 1964, Loye Lark Lauder died, and thereafter BANKERS TRUST COMPANY, a corporation organized under the laws of the State of New York, George Lauder and Charles T. Lark, Jr. were appointed Co-Executors of the Estate of Loye Lark Lauder, Deceased; and

C. WHEREAS, the parties desire to amend the De Lamar Lease and Option on the terms and conditions hereinafter set forth;

NOW, THEREFORE, CONTINENTAL and the OWNERS agree as follows:

1. Payment. CONTINENTAL will promptly pay to the OWNERS Five Thousand ($5,000) Dollars.

2. Extension of Term. To extend the term of lease included in the De Lamar Lease and Option from January 31, 1965 to September 30, 1965, paragraph 1 of the De Lamar Lease and Option is hereby amended to read as follows:

CONFORMED COPY

1. Lease. For and in consideration of Ten ($10) Dollars each paid to the OWNERS set forth in Appendix A (or a total of Forty ($40) Dollars) and other considerations, receipt of which the OWNERS hereby acknowledge, the OWNERS hereby lease the PREMISES to CONTINENTAL beginning on the date of this Agreement and continuing until September 30, 1965, together with:

(a) All minerals and mineral rights in the PREMISES; and

(b) The exclusive right and privilege to mine and sell all minerals from the PREMISES; and

(c) So much of the use of the surface and water rights as may be necessary or convenient to explore or mine the PREMISES.

CONTINENTAL hereby accepts this lease. Upon termination of this Agreement, the term of this lease shall end, but CONTINENTAL shall not be relieved of any obligation to make payments with respect to ore mined by CONTINENTAL from the PREMISES during the term of this lease and sold.

3. Modification of Option. To provide for the application of the foregoing Five Thousand ($5,000) Dollar payment against the total purchase price provided in the De Lamar Lease and Option, and to extend the expiration date of CONTINENTAL'S purchase option, paragraph 2 of the De Lamar Lease and Option is hereby amended to read as follows:

2. Options and Percentage Payments. The OWNERS hereby grant to CONTINENTAL an option to purchase all of the fee simple interest in the PREMISES for a purchase price of Nine Hundred Ninety Five Thousand ($995,000) Dollars, which option may be exercised by notice of at least forty five (45) days, served on the

OWNERS on or before September 1, 1965. Upon exercise of the option CONTINENTAL will pay the purchase price to the OWNERS either by PERCENTAGE PAYMENTS as set forth below in this paragraph 2 (including any such PERCENTAGE PAYMENTS previously made) or by payments set forth in paragraph 3, and CONTINENTAL shall have exclusive possession of the PREMISES until the termination of this Agreement.

(a) Effective immediately and continuing for and during the term of the lease and after any exercise by CONTINENTAL of the option, CONTINENTAL will make payments to the OWNERS on or about the 20th day of each calendar month, which payments shall be equal to ten per cent (10%) of net smelter returns received by CONTINENTAL during the preceding month from the sale of all ore or concentrate from ore mined from the PREMISES. All such payments made during the term of the lease or after exercise by CONTINENTAL of the option and until the purchase price is fully paid, shall be deemed to have been made to apply on the purchase price.

(b) The term "net smelter return" means all receipts by CONTINENTAL from the sale of ore or concentrate from ore as shown on each settlement sheet or remittance statement, after deducting all payments to and charges by a mill or smelter and after deducting all charges and payments for transportation prior to sale with respect to such ore sold or with respect to ore beneficiated

into concentrate sold, other than transportation for hauling ore from the PREMISES to a mill located within 50 miles of the PREMISES. Charges by a mill owned by CONTINENTAL or by any corporation controlling, controlled by or under common control with CONTINENTAL shall not include any profit.

(c) All PERCENTAGE PAYMENTS by CONTINENTAL will be accompanied by a copy of each settlement sheet or remittance statement pertaining to the receipts on which such PERCENTAGE PAYMENT is based.

(d) CONTINENTAL may arrange with any mill, smelter or other ore buyer to make any PERCENTAGE PAYMENTS and to transmit copies of settlement sheets or remittance statements directly to the OWNERS.

(e) All PERCENTAGE PAYMENTS to OWNERS will be made by paying to each OWNER pro rata according to the fractional interest set forth after his name in Appendix A.

4. Revision of Payment Schedule. To reflect the application of the foregoing Five Thousand ($5,000) Dollar payment against the total purchase price and to modify the schedule of future payments, paragraph 3 (b) of the De Lamar Lease and Option is hereby amended to read as follows:

(b) After exercise of the option, on or about the first day of February of each year, CONTINENTAL will make payments to OWNERS to apply on the purchase price of such amount, if any, as may be necessary to increase the total of all payments made to the OWNERS through the prior December 31 to the amounts stated in Column 3 below. The total of all payments made to the

OWNERS shall include PERCENTAGE PAYMENTS, the payment pursuant to subparagraph 3(a) above, payments pursuant to this subparagraph 3(b), and payments pursuant to subparagraph 3(c) below.

1 Date	2 Increase in Cumulative Total	3 Cumulative Total
December 31, 1965	$ 5,000	$ 5,000
December 31, 1966	5,000	10,000
December 31, 1967	5,000	15,000
December 31, 1968	10,000	25,000
December 31, 1969	10,000	35,000
December 31, 1970	20,000	55,000
December 31, 1971	20,000	75,000
December 31, 1972	20,000	95,000
December 31, 1973	25,000	120,000
December 31, 1974	75,000	195,000
December 31, 1975	75,000	270,000
December 31, 1976	75,000	345,000
December 31, 1977	75,000	420,000
December 31, 1978	75,000	495,000
December 31, 1979	100,000	595,000
December 31, 1980	100,000	695,000
December 31, 1981	100,000	795,000
December 31, 1982	100,000	895,000
December 31, 1983	100,000	995,000
	$ 995,000	

To the extent that all PERCENTAGE PAYMENTS previously made, together with all payments previously made pursuant to subparagraph 3(a), this subparagraph 3(b) or subparagraph 3(c) exceed the cumulative total in column 3 above, the excess shall be credited against such cumulative total, and no further minimum payments shall become due under this subparagraph 3(b) until the cumulative total in column 3 above then due shall exceed the cumulative total of all payments previously made as PERCENTAGE PAYMENTS, or as payments pursuant to subparagraph 3(a), this subparagraph 3(b), or subparagraph 3(c).

5. Confirmation. All other terms and provisions of the De Lamar Lease and Option shall remain in full force and effect.

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

Consented to by Spouses:

Marian C. Rushing

Marian C. Rushing

Thelma H. Lark

Thelma H. Lark
(Mrs. Charles T. Lark, Jr.)

Charles T. Lark

Charles T. Lark, Jr., individually

Hedda G. Lark

Hedda G. Lark
(Mrs. George H. Lark)

George H. Lark

George Lauder, not individually, but as Co-Executor of the estate of Loye Lark Lauder, Deceased

Charles T. Lark

Charles T. Lark, Jr., not individually, but as Co-Executor of the estate of Loye Lark Lauder, Deceased

BANKERS TRUST COMPANY, a corporation organized under the laws of the State of New York, as Co-Executor of the estate of Loye Lark Lauder, Deceased

ATTEST:

Trust Officer

By

ASSISTANT TRUST OFFICER

CONTINENTAL QUICKSILVER, INC.

ATTEST:

By

Gerald Gidwitz
Vice President

Melvin Pollack
Assistant Secretary

STATE OF WASHINGTON)
) SS.
COUNTY OF CLARK)

On this 21st day of December before me, a Notary Public personally appeared Marian C. Rushing known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Loyd Edwards

Notary Public
Residing at: Vancouver Wash.

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

On this 10th day of December 1964 before me, a Notary Public personally appeared Charles T. Lark, Jr., individually known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Arthur E. Sullivan

Notary Public
Residing at:

ARTHUR E. SULLIVAN
Notary Public, State of New York
No. 60-9238350
Qualified in Westchester County
Commission Expires March 30, 1966

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 15th day of December 1964 before me, a Notary Public, personally appeared George H. Lark, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Lawson Sibley Adams
Notary Public
Residing at: La Crescenta - L.A. Co. Calif.
LAWSON SIBLEY ADAMS
My Commission Expires Aug. 31, 1965

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 23rd day of December before me, a Notary Public, personally appeared Gerald Gidwitz, known to me to be the Vice President of the corporation that executed the above instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carolyn Brunel
Notary Public
Residing at: Chicago, Illinois

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 10th day of December 1964 before me a Notary Public appeared Charles T. Lark, Jr. as Co-Executor of the Estate of Loye Lark Lauder, deceased, individually known to me to be the person whose name is subscribed to the within instrument as such Co-Executor, and he acknowledged to me that he executed the same as such Co-Executor.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certification first above written.

Arthur E. Sullivan

Notary Public
ARTHUR E. SULLIVAN
Notary Public, State of New York
No. 60-9238350
Qualified in Westchester County
Commission Expires March 30, 1966

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 10th day of December 1964 before me a Notary Public, appeared George Lauder, as Co-Executor of the Estate of Loye Lark Lauder, deceased, individually known to me to be the person whose name is subscribed to the within instrument as such Co-Executor and he acknowledged to me that he executed the same as such Co-Executor.

In Witness Whereof, I have hereunto set myhand and affixed my official seal the day and year in this certification first above written.

Arthur E. Sullivan

Notary Public

ARTHUR E. SULLIVAN
Notary Public, State of New York
No. 60-9238350
Qualified in Westchester County
Commission Expires March 30, 1966

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 14th day of December 1964 before me personally came ROBERT P. BORGES to me known who by me being duly sworn did depose and say that he resides at 205 East 69th Street, New York 21, N. Y. ; that he is an Assistant Trust Officer of Bankers Trust Company, the corporation described in and which executed the above instrument as Co-Executor of the Estate of Loye Lark Lauder, deceased; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by Order of the Board of Directors of said corporation and that he signed his name thereto by like order.

Marie B. Friedenreich
Notary Public

MARIE B. FRIEDENREICH
NOTARY PUBLIC, State of New York
No. 41-1322040
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 1 1965

INITIALS	CODE

Exhibit D

DESCRIPTION OF APPLICANTS LANDS

Boston Lode - Min. Sur. No. 855

A patented lode mining claim situated in Section 9, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N2°18'W 5603 feet, thence S30°E 1500 feet to Cor. No. 2, thence S82°38'E 600 feet to Cor. No. 3, thence N30°W 1500 feet to Cor. No. 4, thence N82°38'W 600 feet to Cor. No. 1, and place of beginning.

Cash Lode - Min. Sur. No. 859A

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N22°56'E 4715 feet, thence S82°38' E 600 feet to Cor. No. 2, thence S41°48'E 1500 feet to Cor. No. 3, thence N82°38' W 600 feet to Cor. No. 4, thence N41°48'W 1500 feet to Cor. No. 1, and place of beginning.

Chicago Lode - Min. Sur. No. 643A

A patented lode mining claim situated in Sections 4 and 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N10°21'E 4548 feet, thence S82°38'E 600 feet to Cor. No. 2, thence S41°48'E 1500 feet to Cor. No. 3, thence N82°38'W 600 feet to Cor. No. 4, thence N41°48'W 1500 feet to Cor. No. 1, and place of beginning.

Christian Wahl Lode - Min. Sur. No. 642A

A patented lode mining claim situated in Sections 4 and 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N2°12'E 4042 feet, thence S7°22'W 600 feet to Cor. No. 2, thence S44°17'E 1500 feet to Cor. No. 3, thence N7°22'E 600 feet to Cor. No. 4, thence N44°17'W 1500 feet to Cor. No. 1, and place of beginning.

Crown Prince & Bismark Consolidated Lode -
Min. Sur. No. 923A

A patented lode mining claim situated in Sections 5 and 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N22°48'30"E 5677.5 feet, thence N73°30'E 600 feet to Cor. No. 2, thence S16°30'E 1500 feet to Cor. No. 3, thence S73°30'W 600 feet to Cor. No. 4, thence N16°30'W 1500 feet to Cor. No. 1, and place of beginning.

Denver Lode - Min. Sur. No. 856A

A patented lode mining claim situated in Sections 8 and 9, T.5 S., R. 4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N2°18'W 5603 feet, thence N82°30'W 600 feet to Cor. No. 2, thence S30°E 1500 feet to Cor. No. 3, thence S82°30'E 600 feet to Cor. No. 4, thence N30°W 1500 feet to Cor. No. 1, and place of beginning.

Dissen Lode - Min. Sur. No. 921

A patented lode mining claim situated in Sections 5 and 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N22°48'30"E 5677.5 feet, thence S73°30'W 300 feet to Cor. No. 2, thence S16°30'E 1500 feet to Cor. No. 3, thence N73°30'E 300 feet to Cor. No. 4, thence N16°30'W 1500 feet to Cor. No. 1, and place of beginning.

Hidden Treasure Lode - Min. Sur. 1264

A patented lode mining claim situated in Sections 4 and 5, T.5 S, R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N6°17'E 2707 feet, thence S38°20'E 1500 feet to Cor. No. 2, thence S60°W 600 feet to Cor. No. 3, thence N38°20'W 1500 feet to Cor. No. 4, thence N60°E 600 feet to Cor. No. 1, and place of beginning.

Hope Lode - Min. Sur. No. 920A

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N29°31'E 4165.7 feet, thence S73°30'W 600 feet to Cor. No. 2, thence S16°30'E 1500 feet to Cor. No. 3, thence N73°30'E 600 feet to Cor. No. 4, thence N16°30'W 1500 feet to Cor. No. 1, and place of beginning.

Iburg Lode - Min. Sur. No. 1260

A patented lode mining claim situated in Section 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N11°10'E 5764 feet, thence S20°26'E 1500 feet to Cor. No. 2, thence S75°45'W 600 feet to Cor. No. 3, thence N20°26'W 1500 feet to Cor. No. 4, thence N75°45'E 600 feet to Cor. No. 1, and place of beginning.

Idaho Lode - Min. Sur. No. 548

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N27°35'E 4520 feet, thence S72°25'W 100 feet to Cor. No. 2, thence S17°35'E 750 feet to Cor. No. 3, thence S35°30'E 714 feet to Cor. No. 4, thence N72°25'E 100 feet to Cor. No. 5, thence N35°30'W 714 feet to Cor. No. 6, thence N17°35'W 750 feet to Cor. No. 1, and place of beginning.

London Lode - Min. Sur. No. 857A

A patented lode mining claim situated in Section 5, T.5 S., R. 4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 5, whence the NE Cor. Sec. 5 bears N2°12'E 4042 feet, thence N79°28'W 320.6 feet to Cor. No. 6, thence N40°26'W 1223.5 feet to Cor. No. 1, thence S79°28'E 593.8 feet to Cor. No. 2, thence S40°52'E 916.6 feet to Cor. No. 3, thence S45°43'W 185 feet to Cor. No. 4, thence S44°17'E 82.5 feet to Cor. No. 5, and place of beginning.

Louis Wahl Lode - Min. Sur. No. 854

A patented lode mining claim situated in Section 5, T.5 S., R. 4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 4, whence the NE Cor. Sec. 5 bears N15°16'E 4013 feet, thence N40°W 771.8 feet to Cor. No. 1, thence S79°28'E 587.3 feet to Cor. No. 2, thence S40°26'E 779 feet to Cor. No. 3, thence N79°28'W 596.4 feet to Cor. No. 4, and place of beginning.

Michigan Lode - Min. Sur. No. 1266

A patented lode mining claim situated in Sections 4 and 5, T. 5 S., R. 4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N6°17'E 2707 feet, thence S38°20'E 1500 feet to Cor. No. 2, thence N60°E 600 feet to Cor. No. 3, thence N38°20'W 1500 feet to Cor. No. 4, thence S60°W 600 feet to Cor. No. 1, and place of beginning.

Malloy Lode - Min. Sur. No. 1029A

A patented lode mining claim situated in Sections 5, 6, 7 and 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 2, whence the NE Cor. Sec. 5 bears N37°40'E 8015.8 feet, thence N37°9'W 196.5 feet to Cor. No. 3, thence N37°9'W 1212.8 feet to cor. No. 4, thence N60°57'E 559.6 feet to Cor. No. 5, thence S37°53'E 1413.3 feet to Cor. No. 1, thence S60°57'W 589.7 feet to Cor. No. 2, and place of beginning.

New York Lode - Min. Sur. No. 863A

A patented lode mining claim situated in Sections 4 and 9, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N9°54'W 5190 feet, thence S7°22'W 600 feet to Cor. No. 2, thence S30°46'E 1500 feet to Cor. No. 3, thence N7°22'E 600 feet to Cor. No. 4, thence N30°46'W 1500 feet to Cor. No. 1, and place of beginning.

Philadelphia Lode - Min. Sur. No. 862A

A patented lode mining claim situated in Section 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N8°43'E 5525.2 feet, thence S48°12'W 600 feet to Cor. No. 2, thence S30°E 1500 feet to Cor. No. 3, thence N48°12'E 600 feet to Cor. No. 4, thence N30°W 1500 feet to Cor. No. 1, and place of beginning.

Phebe Grace Lode - Min. Sur. No. 858

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N10°20'E 4549 feet, thence N82°38'W 429.4 feet to Cor. No. 2, thence S41°48'E 1500 feet to Cor. No. 3, thence N82°38'E 429.4 feet to Cor. No. 4, thence N41°48'W 1500 feet to Cor. No. 1, and place of beginning.

San Francisco Lode - Min. Sur. No. 860

A patented lode mining claim situated in Section 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N3°50'E 5534 feet, thence N82°38'W 470.6 feet to Cor. No. 2, thence S30°E 1500 feet to Cor. No. 3, thence S82°38'E 470.6 feet to Cor. No. 4, thence N30°W 1500 feet to Cor. No. 1, and place of beginning.

Torpedo Lode - Min. Sur. No. 1261

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N26°44'E 5251 feet, thence S16°30'E 566.6 feet to Cor. No. 2, thence S73° 30'W 600 feet to Cor. No. 3, thence N14°33'W 566.8 feet to Cor. No. 4, thence N73°30'E 580.7 feet to Cor. No. 1, and place of beginning.

Wall Street Lode - Min. Sur. No. 1265

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N0°44'E 2076 feet, thence S66°15'W 1271.2 feet to Cor. No. 2, thence S38°28'E 542 feet to Cor. No. 3, thence N60°E 1243 feet to Cor. No. 4, thence N38°28'W 402 feet to Cor. No. 1, and place of beginning.

Wilson Lode - Min. Sur. No. 547

A patented lode mining claim situated in Section 5, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 4, whence the NE Cor. Sec. 5 bears N23° 26'E 4104 feet thence S79°28'E 1500 feet to Cor. No. 1, thence S7°22'W 517.14 feet to Cor. No. 2, thence N82°38'W 1497.7 feet to Cor. No. 3, thence N7°22'E 600 feet to Cor. No. 4, and place of beginning.

Zulu Lode - Min. Sur. No. 1259

A patented lode mining claim situated in Sections 5 and 8, T.5 S., R.4 W., Owyhee County, Idaho, more particularly described as follows:

Beginning at Cor. No. 1, whence the NE Cor. Sec. 5 bears N22°56'E 4715 feet, thence S41°48'E 1471.3 feet to Cor. No. 2, thence S48° 12'W 600 feet to Cor. No. 3, thence N30°35'W 404.9 feet to Cor. No. 4, thence N16°30'W 1188.1 feet to Cor. No. 5, thence N48°12'E 13.5 feet to Cor. No. 1, and place of beginning.

Stoddard Lode - Min. Sur. No. ?

A patented lode mining claim situated in Sections 4 and 5, T.5 S., R.4 W., Owyhee County, Idaho. The patent number of this claim is 12003. No patent plate is immediately available.

Exhibit F

Production of gold and silver from the De Lamar mine
(Based upon data from the records of the De Lamar Company, Ltd.)

Year	Produced as Bullion			Produced as Shipping Ore[1]		Value			Average value of silver per fine ounce
	Gold	Silver	Ratio Gold to Silver	Gold	Silver	Gold	Silver	Total	
	Ounces	Ounces		Ounces	Ounces				
1888-90	12,250[2]	152,500[2]	.....	428 [2]	407,000[2]	$ 262,000[2]	$ 588,000[2]	$ 819,428	$0.995
1891-92	13,143	316,903	1:24.1	197	187,000	275,760	473,278	749,038	.9394
1892-93	19,023	487,137	25.6	218	206,800	397,750	587,132	984,882	.8456
1893-94	26,483	509,844	19.2	171	162,300	550,982	473,276	1,024,258	.7040
1894-95	29,671	368,048	12.4	170	169,400	616,874	328,781	945,655	.6203
1895-96	24,499	434,310	17.7	139	132,000	509,309	376,839	886,148	.6653
1896-97	18,558	276,026	14.9	67	63,300	385,008	223,484	608,492	.6585
1897-98	17,834	152,207	8.5	24	22,800	369,158	99,949	469,107	.5710
1898-99	19,031	35,370	1.9	23	22,100	393,886	33,624	427,510	.5848
1899-00	23,655[3]	66,898[3]	2.8	19	17,600	489,376	49,351	538,727	.5840
1900-01	23,683[3]	85,747[3]	3.6	3.4	3,280	489,642	54,387	544,029	.6109
1901-02	23,845[3]	39,866[3]	1.7	2.9	2,740	492,980	24,540	517,520	.5760
1902-03	13,180	33,578	2.5	.....	.....	272,454	16,366	288,820	.4874
1903-04	14,624	44,537	3.1	.....	.....	302,305	24,696	327,001	.5545
1904-05	16,688	39,232	2.4	.....	.....	344,971	22,527	367,498	.5742
1905-06	5,797	16,307	2.8	2.9	2,750	119,895	11,400	131,295	.5981
1906-07	6,872	30,799	4.5	8.3	7,920	142,229	25,755	167,984	.6652
1907-08	13,750	158,994	11.6	7.2	6,830	284,387	97,776	382,163	.5896
1908-09	15,826	236,470	14.9	2.9	2,750	327,212	118,533	445,745	.4955
1909-10	17,121	180,115	10.5	5.1	4,830	354,027	92,012	446,039	.4975
1910-11	16,400	279,164	17.0	8.5	8,120	339,194	148,415	487,609	.5166
1911-12	14,656[3]	279,723[3]	18.9	.....	.....	302,966	145,820	448,786	.5213
1912-13	10,866[3]	169,793[3]	15.6	.....	.....	224,620	100,331	324,951	.5909
1913-14	3,600[2]	50,000[2]	.....	.....	.....	74,000[2]	29,000[2]	103,112	.58
Totals	401,055	4,443,568	.....	1,497	1,429,520	$8,320,985	$4,117,272	$12,435,797	.....

[1] Shipping ore was produced only from the gouge filling of the De Lamar fault ("Iron Dike"). The returns from 43 shipments made during the period 1888-1890 show an average ratio of gold to silver of 1:951 by weight. This ratio has been used as a basis for computing the subsequent production in ounces from the known cash value of the ore.

[2] Approximate estimate, A. M. Piper.

[3] Includes the content of bullion recovered by cyanidation of old mill tailings.

Exhibit I

NICHOLS DRILLING COMPANY, Inc.
319 BROADWAY AVE. P. O. BOX 450
BOISE, IDAHO 83701
PHONE 344-7946

February 23, 1965

Continental Materials Corporation
P. O. Box 1550
Grand Junction, Colorado

Subject: Invitation to Bid,
DeLamar Mine Area,
Owyhee Co., Idaho

Gentlemen:

We are in receipt of your letter of February 19, 1965, and are sorry to inform you that we will be unable to bid on the above mentioned project at this time.

Very truly yours,

NICHOLS DRILLING CO., INC.

Frank P. Fuss
Controller

FPF:kh

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE
MICHIGAN CITY, INDIANA 46360

EXECUTIVE OFFICES
HENRY W. OLIVER BUILDING
PITTSBURGH, PA. 15222

March 10, 1965

Continental Materials Corporation
820 South 9th St.
P. O. Box 1550
Grand Junction, Colorado

Attention: Mr. C. H. Reynolds
General Superintendent

Subject: Proposed Core Drilling
DeLamar Mine Area
Owyhee County, Idaho

Gentlemen:

We must decline to bid on your invitation covering your proposed core drilling program in the DeLamar Mine Area because we do not have the proper type equipment nor qualified crews available. As you know, there is a considerable amount of activity in exploration drilling at this time, therefore we are tied up on contracts to which we have been previously committed.

Please keep our name on your mailing list. I hope that we will be in a better position to bid on your future requirements.

Yours truly,

JOY MANUFACTURING COMPANY

J. M. Murray, Manager
Contract Drill Division

JMM/et

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

BOYLES BROS.
DRILLING COMPANY
CONTRACTORS-ENGINEERS-GEOLOGISTS
3408 East Main Street
Spokane 24, Washington
Phone KE 4-0862

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595
BRANCH OFFICES
PHOENIX
RENO
SPOKANE
ST. LOUIS
DENVER
AUBURN, CALIF.

March 3, 1965

Mr. C. H. Reynolds - General Superintendent
Continental Materials Corporation
P. O. Box 1550
Grand Junction, Colorado

Subject: Bid, DeLamar Mine Area, Owyhee County, Idaho

Dear Sir:

We herein submit our bid estimate for drilling on Continental Quicksilver's proposed drilling project as described in your invitation dated February 19, 1965. The area being unaccessable at this time, we will cofirm or adjust these rates as soon as the property can be visited. After studying your detailed description of the physical conditions I am confident these rates will be similar to our ultimate bid.

The quantity of footage to be drilled indicates that 2 drills will be required to do the work if any more than the minimum id done. For this reason I have quoted a separate mobilization charge for the second drill umit.

Your description of the rocks to be drilled leads us to believe that a drilling mud circulation media may very likely be required to effectively core the material as well as to stabilize the walls of the holes. Drilling mud and the required additives would be billed to your account should their use be found desireable or necessary. For estimating purposes this should ammount to about $10.00 per drill shift.

Should we be awarded the work we would be able to get on the job within 10 days after notice to proceed with the first drill. The second drill could be mobilized at the same time or within 10 days after notice that it's presence is required. We would operate the equipment on a 2 shift 6 day week basis under the supervision of a competent general foreman or foreman driller.

"RATES"

1. Mobilization and demobilization of first drill including 1st set up..$1,000.00

2. Mobilization and demobilization of 2nd drill including first set up.. 750.00

3. Drilling and casing unconsolidated overburden...$12.50 per ft.

4. Core Drilling Rates:

	NXWL	BXWL	AXWL
0.0 to 250'	$7.40 per ft.	$7.25 per ft.	$7.25 per ft.
250' to 500'	7.90 per ft.	7.75 per ft.	7.75 per ft.
500' to 750'	8.40 per ft.	8.25 per ft.	8.25 per ft.
750' to 1,000'	9.00 per ft.	8.85 per ft.	8.85 per ft.

5. Reaming: f/NX Cas. $3.95 pr. ft. f/BX Cas, $3.75 pr. ft. f/AX Cas. $3.50 pr. ft.

6. Casing left in hole at your request. List price f.o.b. the job site.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros.
DRILLING COMPANY
CONTRACTORS-ENGINEERS-GEOLOGISTS
3408 East Main Street
Spokane 24, Washington
Phone KE 4-0862

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595
BRANCH OFFICES
PHOENIX
RENO
SPOKANE
ST. LOUIS
DENVER
AUBURN, CALIF.

Continental Materials Corporation
P. O. Box 1550
Grand Junction, Colorado
March 3, 1965

"RATES" (Cont.)

7. Cementing, waiting for cement to set during a regular drill shift and drilling out cement...$12.50 per hour plus the cost of cement or cement substitutes including drilling mud.

8. Moving from hole to hole, tearing down and setting up..$11.00 per hour for each 2 man crew.

9. Delays for your convenience including hole surveying...$11.00 per hour for each 2 man crew.

We sincerely appreciate your interest in our services and hope to hear from you in the near future. Should you have any questions relative to this or any other project please do not hesitate to call on us.

Very truly yours,
Boyles Bros. Drilling Co.

E. G. Tucker

E. G. Tucker - District Manager

Consideration Schedule
On core drilling project
DeLamar Mine Area,
Owyhee County, Idaho

To: Continental Materials Corp.
820 South Ninth St.
P. O. Box 1550
Grand Junction, Colorado

From: MacPherson Drilling Company
601 N. 2nd. St.
P. O. Box 447
Montrose, Colorado

Gentlemen:

In consideration for such drilling in the DeLamar Mine Area, Owyhee County, Idaho. MacPherson Drilling Company undertakes to perform such drilling under the terms and for the fees setforth herein. And, Coninental Materials Corp. agrees to pay contractor the rates which follow for the purpose indicated.

Core drilling schedule

Footage		Rate per ft. Coring			
		NC	NX	BX	AX
From surface to 500 ft. in depth	@	$ 7.35	$ 6.90	$ 6.40	$ 5.90
From 500 ft. to 750 ft. in depth	@		7.35	6.90	6.40
From 750 ft. to 1000 ft. in depth	@		7.90	7.35	6.90

Mobilization & Demobilization of drilling equipment and drill personnel for a net sum of $ 1,400.00

Labor and equipment furnished by contractor for cementing, drilling out cement, reaming for and setting casing, recovery of casing from drill holes, surveying of drill holes with Tro-Pari surveying instrument or other work Company may request contractor to perform with it's equipment and drill personnel shall be at an hourly charge of $ 12.00 per hr. so used.

Should it become nessary to use drilling mud, cement or cement substitutes to complete holes to the required depth, these supplies shall be charged to Compny at contractor's cost F.O.B. job site. Casing left in holes at Compny request or contractor is unable to recover such casing, this casing shall be charged to company at contractor's cost F.O.B. job site.

Company shall furnish roads and drill sites suitable for the moving of contractor's equipment. Company shall furnish water for drilling wthin a resonable distance fo drilling sites. However, it shall be the contractor's obligation to trasnport water to the drill sites.

Dated this 31st day of march 1965

Respectfully submitted
M. MacPherson
Malcolm MacPherson

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 1 1985
INITIALS CODE

EXHIBIT C

GEOLOGIC, TOPOGRAPHIC & CLAIM MAP

(in back pocket)

To be Continued:

See Correspondence File #2

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

APR 20 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Summary Final Report
OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

INTRODUCTION

This report summarizes an OME exploration project for gold-silver ore in Tertiary rhyolitic rock southeast of the old De Lamar mine, about 55 miles southwest of Boise, Idaho. The contract, dated February 28, 1966, for a total estimated cost of $62,360.00, of which the Government would contribute 62-1/2 percent or $38,350.00, was amended 3 times. Work started in May, 1966, and was terminated effective December 1, 1966, before all the originally planned work had been done. Five diamond drill holes were completed with an aggregate length of 4,739 feet. The total accepted cost of the work was $39,049 of which the Government contributed $24,406. Ore minerals were found in 4 of the 5 holes; indicated new ore is 167,000 tons containing 1,000,000 ounces of silver. According to Amendment No. 3 of the contract, royalties shall be paid to the Government on all production from the land described in the contract from February 28, 1966 to February 28, 1977, or until the total amount contributed by the Government with interest at the rate of 6-3/4 percent per annum is fully repaid, whichever occurs first. Any land situated within 1,500 feet of the south boundary of the land described in the contract, which is acquired by the Operator or his subsidiaries, is also subject to the royalty provisions in the contract. The property is now idle.

FINAL
FIELD RPT.

OPERATOR

Continental Quicksilver, Inc.(a California corporation)
820 South Ninth Street
Grand Junction, Colorado 81502

A wholly-owned subsidiary of:

Continental Materials Corporation
72 West Adams Street
Chicago, Illinois 60603

Mr. C. H. Reynolds was the Vice President and General Manager of Continental Quicksilver, Inc.

PROPERTY

The property consists of 16 patented lode mining claims in secs. 4, 5, 8, and 9, T. 5 S., R. 4 W., Boise Principal Meridian, De Lamar district, Owyhee County, Idaho (fig. 1), as follows:

Claim	Patent No.
Boston	20972
Cash	22255
Chicago	17931
Christian Wahl	17932
Crown Prince and Bismark Consolidated	22257
Denver	21442
Hope	22256
Iburg	30600
Idaho	16692
New York	20973
Philadelphia	21441
Phoebe Grace	21444

San Francisco	21443
Torpedo	30598
Wilson	16476
Zulu	30599

The Operator was in possession of the claims by virtue of an Escrow Agreement dated December 27, 1965, of the De Lamar Lease and Option dated October 31, 1963, as amended between Continental Quicksilver, Inc., and Marian C. Rushing, Charles T. Lark, Jr., et al., owners of the claims.

The claims cover the ground underlain by most of the underground workings of the old De Lamar mine (figure 1). Altitudes range from about 5450 feet on Jordan Creek at De Lamar to about 6564 feet on the crest of De Lamar mountain. The steep hillslopes are not timbered.

The property can be reached by an unimproved gravel road from Jordan Valley, Oregon, to the abandoned mining camp of De Lamar on Jordan Creek, a distance of 18 miles. A pick-up truck can traverse the property but low-centered vehicles cannot. The nearest shipping point is Marsing, Idaho, some 62 miles away. Boise is about 100 miles distance by highway.

There are extensive underground workings but none are now accessible (fig. 1). The No. 4 De Lamar adit level connects with the No. 4 Sommercamp level, and is a tunnel through the mountain. Lower adit levels include the 8 and 16 levels. Subsidiary workings, driven off winzes or raises, include the 11, 12, and 14 levels.

Included in the contract was a special agreement under which it was agreed that if the Operator acquired an interest in land situated within 1500 feet of the south boundary of the above-listed claims during the period expiring 10 years from the date of the contract, such land would become subject to the provisions of the contract, and amendments should be executed to the contract listing such land as being included in the contract.

GEOLOGY

Gold-silver ore deposits in the De Lamar mine are in lamellar quartz veins enclosed by banded porphyritic rhyolite that is part of a thick sequence of rhyolite tuffs and flows of Tertiary age. The porphyritic

rhyolite possibly is a sill. The veins are localized beneath fault zones, locally called "iron dikes," that consist of sheets of plastic clay, usually pistachio green, abundantly pyritized, and separated from the enclosing rock by a distinct footwall fault (Piper and Laney, 1926, p. 34). The vein material, lamellar quartz, is believed to be pseudomorphous after quartz. Ore minerals, seldom visible to the unaided eye, include native gold and silver, argentite, naumannite (?), cerargyrite and marcasite (Piper and Laney, 1926, p. 106).

Production records from the De Lamar mine list 787,590 tons milled that averaged 0.52 ounces gold and 2.8 ounces silver per ton. Average annual value per ton ranged from $36.71 in 1891-92 to $7.94 in 1912-1913 (Piper and Laney, 1926, p. 100). Total production from the mine was 401,055 ounces gold and 4,443,568 ounces silver with a value of $12,435,797.

Two types of veins are at the mine (figure 1). A broad, somewhat flat-dipping, vein is characterized by the 77 vein, so-called because reportedly it was 77 feet wide where first exposed in the mine. Veins of the other type are steeply dipping gash veins with a strike length rarely exceeding 500-600 feet but generally only 100-200 feet (fig. 1). These are productive only near a hanging wall structure such as the De Lamar fault and thence downward 200-300 feet. Beyond the ends of the stopes they die out as tight cracks filled with quartz and some fluorite (Operator's application report).

Hydrothermal alteration of the enclosing rocks includes sericitization and silicification. Where least altered the porphyritic rhyolite is dark bluish gray, weathering purplish and reddish brown. Quartz phenocrysts constitute about 5 percent of the rock and K-feldspars, mainly sanidine, about 3 percent. Near the vein the rock is light gray or white and further from the vein is a brownish drab tan.

The structural control of the ore shoots in the broad veins appears to be the intersection between the veins and the broad zones of faulting or iron dikes. The plunge of this intersection is to the southeast (figure 1), and exploration proposed by the applicant was to explore along this projected plunge.

PURPOSE OF PROJECT

The purpose of the project was to explore by core and plug bit drilling from surface drill sites for gold- and silver-bearing ore bodies in the Seventy-seven and Sommercamp vein systems in igneous rocks of probable Miocene age.

CONTRACT

The contract, No. 2214, dated February 28, 1966, required that work start on or before June 15, 1966, and to be completed within 18 months from the date of the contract. Exploration consisted of the following:

Bulldoze access roads to 8 drill sites.

Drill not more than 8 holes totalling not more than 7,200 feet. All holes to be drilled on a bearing of N. 60° E., unless results of drilling dictate changes in the course of subsequent holes. The target vein system, inclination, approximate length, and range in elevation of the target in each hole are as follows:

Hole No.	Inclination degrees	Length feet	Target		
			Vein system	Elevation range, ft.* From	To
1 B	-52	850	77	5950	5850
3 A	-50	850	77	5840	5700
3 B	-54	750	77	5880	5770
4 A	-50	1000	77	5650	5530
4 B	-50	900	77	5700	5650
5	-50	800	Sommercamp	5800	5650
6 A	-50	1150	77	5460	5420
6 B	-50	900	77	6540	5670
	Total	7200			

*Assuming De Lamar 12 level at 5,800 ft. elevation.

Estimated Costs of Project

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites D-8 16 hours @ $20./hr. D-7 20 hours @ $16/hr. D-6 23 hours @ $14/hr. (rounded)	$ 320.00
Mobilization and demobilization, two drill units	1,400.00
Overburden drilling and setting of casing 140 feet @ $12.50/ft.	1,750.00
Diamond core and plug bit drilling, 7,200 feet	49,720.00

Depth Ft.	Size	Price Per Ft.
0-500	NX	$ 6.90
	BX	6.40
	AX	5.90
	Plug bit	7.35
500-750	BX	6.90
	AX	6.40
750-1000	BX	7.35
	AX	6.90
Over 1000	BX	7.85
	AX	7.40

Cement, drill mud, additives, and hole-plugging agents	1,880.00
Cardboard core boxes 500 @ $1/each	500.00
Reaming and casing 80 hours @ $12/hr.	960.00
Cementing and redrilling 80 hours @ $12/hr.	960.00
Surveying with in-hole instrument 30 hours @ $12/hr.	360.00

Total Estimated Costs $57,850.00

Fixed Unit Costs

Incidental cost per foot of drilling completed 7,200 feet @ $0.35/ft. 1/	$ 2,520.00	
360 core and sludge samples for gold and silver assays @ $2.75/sample	990.00	
Total Estimated Fixed Unit Costs		$ 3,510.00
Total Estimated Cost of Project		$ 61,360.00
Government Participation at 62-1/2 percent		$ 38,350.00

1/ Includes all costs whatsoever such as supervision, labor, equipment, payroll taxes, FICA Insurance, etc., that would otherwise be allowable under Categories (2) through (7) of the contract.

The contract was amended three times as follows:

Amendment No. 1, dated October 19, 1966 permitted changes with Government approval instead of prior Government approval, and revised the estimated costs for drill core boxes as follows:

Drill core boxes	$500.00
Cardboard @ $1.00 each	
Wood @ $3.50 each	

Amendment No. 2, dated January 10, 1967, permitted a recess of contract work between December 1, 1966 and June 1, 1967, and extended time for completion of contract work from 18 to 24 months.

Amendment No. 3, dated July 26, 1967, extended the recess of contract work to July 1, 1968, and extended time for completion of the contract from 24 to 36 months. Maximum period for royalty payments was extended from 10 to 11 years from the date of the contract. If work is not resumed on or before July 1, 1968, the contract will be terminated effective December 1, 1966. A pseudocertification would be effective under which the Operator would pay to the Government the royalty provided for in the contract in the same manner and amount, and for the same period, as if a certification of possible production had been made, such certification being waived by the Operator.

Project Work

Diamond drilling began about May 12, 1966, and five holes were completed by November 21, 1966. The first hole drilled was No. 5, followed by 1-B, 3-A, 4-B, and 3-B (fig. 1). Amendments Nos. 2 and 3 allowed recess of contract work but as work had not been resumed by July 1, 1968, the contract was terminated effective December 1, 1966. The allowable costs of the completed work as listed in the Report of Review are as follows:

Item	Accepted Cost	
Bulldozing access roads and drill sites	$ 280.00	
Mobilization and demobilization, 1 surface unit	700.00	
Drill core boxes	258.00	
Core and sludge samples assayed for gold and silver	272.00	$ 1,510.00
Overburden drilling and setting of casing	191.00	
Diamond core and plug bit drilling	32,153.00	
Cement, drill mud, additives and hole-plugging agents	1,162.00	
Reaming and casing	1,068.00	
Cementing and redrilling	960.00	
Survey with in-hole instrument	108.00	
Incidental cost per foot of drilling completed	1,897.00	37,539.00*
Total		$39,049.00
Government participation, 62-1/2 percent.		$24,406.00

* Average cost per foot is $7.92. Compare with total cost and average cost per foot as shown on Table I.

TABLE I

Tabulation of Drilling Costs
(from driller's monthly invoices excluding core box costs)

Item	COST PER HOLE					
	Hole 1-B (838 ft.)	Hole 3-A (983 ft.)	Hole 3-B (1079 ft.)	Hole 4-B (1039 ft.)	Hole 5 (800 ft.)	Total (4739 ft.)
Drilling						
Plug bit @ $7.35/ft.			1,200.00		191.10	1,391.10
NC $7.35/ft.	565.95	922.42	1,794.00	948.15	1,286.25	5,516.77
NX 0-500 ft @ $6.90/ft.	2,918.70	2,625.45	1,837.50	2,559.90	2,063.10	12,004.65
NX 500-750 @ $7.35/ft.	1,837.50	1,837.50	932.20	1,837.50	1,837.50	8,282.20
750-1,000 @ $7.90/ft.	695.20	1,840.70		355.50	395.00	3,286.40
BX 750-1,000 @ $7.35/ft.			970.20	1,506.75		2,476.95
Over 1,000 @ $7.85/ft.			620.15	306.15		926.30
Casing time @ $12/hr.	90.00	192.00	540.00	252.00	54.00	1,128.00
Pull casing @ $12/hr.				174.00	24.00	198.00
Cement time @ $12/hr.	720.00	1,536.00	408.00	528.00		3,192.00
Survey time @ $12/hr.	24.00	24.00	24.00	18.00	18.00	108.00
Lost casing @ $2.50/ft.			550.00	875.00		1,425.00
Drilling mud @ $3.30/sack	231.00	26.40	132.00	132.00	59.40	580.00
Cement @ $2/sack	96.00	102.00	32.00	12.00		242.00
Calcium chloride @ $2.30/sack	16.10	13.80	6.90	2.30		39.10
Oats @ $3/sack	9.00					9.00
Bran @ $3.50/sack	7.00					7.00
CaloSeal @ $8/sack				16.00		16.00
Total	$7,210.45	$9,120.27	$9,046.95	$9,523.25	$5,928.35	$40,829.27
Cost Per Ft.	$ 8.60	$ 9.28	$ 8.38	$ 9.17	$ 7.41	$ 8.62

The Government retains no equity in any equipment or supplies at the property.

The costs of the drilling as invoiced by the driller to the Operator are listed in Table I. The Operator reported that circulation was lost in the lower part of four of the holes; the tabulated costs indicate that cementing and redrilling was necessary and this materially increased the cost of the drilling.

The Operator adequately supervised the drilling and competently logged and sampled the drill core.

REPORTS

The Operator submitted an acceptable final report on September 27, 1968.

The Report of Review, prepared in Washington during January, 1969, was submitted on February 3, 1969.

No royalty reviews have been necessary.

PROJECTS RESULTS

Locations of the drill holes are shown on Figure 1. Drill hole 5, planned to test the downward projection of the Sommercamp vein system, failed to cut the Sommercamp fault. The Operator mentions the possibility that the Sommercamp and De Lamar Fault may have joined near the projected intersection of this hole.

Hole 1-B intersected comb quartz at the projected position of 77 vein. Core recovery was poor as the vein tended to crumble ahead of the drill bit. Traces of stibnite(?) are reported in the drill log at 557-559, 660, 728-740, 788-796.5, and 810-813. Assay data are as follows:

Depth (along hole)		Au	Ag
From	To	Oz/ton	Oz/ton
556.8	557.8	tr.	12.0
557.8	558	0.02	2.0
659.5	660.0	tr.	0.6
718.0	722.0	tr.	0.8

Hole 3-A cut vein material in and below the De Lamar Fault, but none of the intersections could be identified as the 77 vein. Assay data are as follows:

Depth Along Hole From	To		Au Oz/ton	Ag Oz/ton
644.8	648.7		tr.	2.00
648.7	650.0		tr.	2.00
650	652		0.01	0.8
652	654	trace stibnite	0.015	6.0
654	656		0.01	0.60
749.7	751.7		tr.	2.00
840.2	840.8		tr.	2.00
846	848	stibnite trace	tr.	2.00
848	850	" "	0.015	10.00
850	852	" "	0.02	22.00
858.6	859.6		tr.	0.20
910.0	913.3	tr. stibnite copper carbonates	tr.	6.00
916.1	917.4		tr.	2.0
917.4	918.4		tr.	2.0
918.4	921.1		tr.	2.10

Hole 3-B intersected vein material below the De Lamar Fault that the Operator correlated with the 77 vein and projected it to a vein intersected by hole 3-A in the De Lamar Fault. However, the vein material in hole 3-B might correlate with that intersected in the lower part of 3-A. If so, this would indicate a tabular ore zone of fairly large dimensions lying nearly parallel to and about 200 feet below the De Lamar Fault. Another drill hole is necessary to verify this possibility. Assay data from hole 3-B are as follows:

Depth Along Hole From	To	Au Oz/ton	Ag Oz/ton
778.9	779.9	tr.	0.40
796.0	798.0	tr.	0.60
798.0	799.0	tr.	0.40
799.0	802.0	tr.	0.30

Hole 4-B intersected some traces of ore mineralization in brecciated tuff of the De Lamar Fault and in porphyritic rhyolite below the fault. The Operator did not believe that the lower mineralized zone is the 77 vein. Assay data are as follows:

Depth Along Hole		Au	Ag
From	To	oz/ton	oz/ton
763.2	765.2	0.03	tr.
765.0	766.8	0.04	0.95
921.4	924.0	0.04	0.25
924.0	926.5	0.02	0.20
939.5	941.0	0.11	1.30
941.0	942.5	0.01	0.40
957.6	959.6	0.11	13.90
972.0	973.0	tr.	0.20
990.0	991.0	0.01	0.60
1000.9	1003.4	0.01	0.40
1031.8	1033.8	tr.	0.20

ORE RESERVES

New ore reserves are indicated by the drilling; however, more drilling or underground exploration will be necessary to more closely define the limits and grade of the new ore.

Assay data indicate that 3 drill holes intersected rock that contained as much as 12 ounces silver per ton. Two of these holes (1-B and 4-B) cut through the 77 vein and the other hole (3-A) apparently cut a mineralized gash vein in the footwall area of the 77 vein. The zone cut by hole 1-B is near that mined on the 8 level and no new ore is indicated by this hole. The low-grade rock in hole 3-B appears to correlate with the 77 vein and can be projected between the southeast limits of the 16 level and the intersection of ore in hole 4-B, a total distance along strike of 750 feet. Extending this zone southeasterly to the projected intersection with the

De Lamar fault, would make it 1,000 feet long. The upward limit of this ore is the De Lamar fault, which dips at a low angle along the line of projection. The downward limit of the ore is unknown, but for reserve calculations is projected 150 feet along the plunge of the zone below the 16 level.

The dimensions of the new ore indicated in holes 3-B and 4-B, using the above limitations, are 1,000 feet long, and an average of 200 feet high--indicated width is 10 feet (by projection from Operator's geologic map on the 16 level--see figure 1). Using a tonnage factor of 12 cubic feet per ton, there are 167,000 tons in the block. Silver values are erratic, but assay data indicate some ore will contain as much as 12 ounces per ton; a fair figure is 6 ounces per ton. There is calculated to be 1,000,000 ounces of silver, within the block of indicated ore. Gold values are less than 0.1 ounce per ton.

The block of indicated ore is about 700 feet below the surface and expensive development will be necessary to mine it. Additional exploration is necessary to more fully define the limits of the ore. Perhaps the 16 level of the De Lamar mine can be rehabilitated and new exploration can be planned from underground. Government participation in such exploration is warranted.

CERTIFICATION

There was no certification of possible production. Terms of Amendment No. 3 to the contract specified that royalty will be due to the Government on production from the property between February 28, 1966 and February 28, 1977, or until the total amount contributed by the Government with interest at 6-3/4 per annum is fully repaid, whichever occurs first. Land situated within 1,500 feet of the south boundary of the land described in the contract, which is acquired by the Operator or his subsidiaries, is also subject to the royalty requirements in the contract.

PRODUCTION AND ROYALTIES

There has been no production from the property since the date of the contract.

SUMMARY

The exploration was planned to search for extensions of known ore that had been mined in the De Lamar and Sommercamp mines. Ore is found in porphyritic rhyolite and is in shear zones and gash veins below gently dipping but thick fault zones ("iron dikes"). Five holes were drilled from surface drill sites during the summer and fall of 1966. The Operator was unable to resume exploration in the following two years and the contract was terminated.

Mineralized rock was intersected in 4 of the 5 holes. Correlation of ore in the drill holes with known veins is uncertain but short sections of the recovered core contained as much as 22 ounces silver per ton. The drilling indicated that the 77 vein can be projected southeast from old workings on the 16 level of the De Lamar mine.

Further exploration is warranted--either more drilling from surface drill sites or underground exploration fron near the southeast end of the 16 level.

REFERENCE CITED

Piper, A. M. and Laney, F. B., 1926, Geology and metalliferous resources of the region about Silver City, Idaho: Idaho Bureau of Mines and Geology, Bulletin 11, p. 165.

Willard P. Puffett

Willard P. Puffett

Enclosures

OFFICIAL BUSINESS

SUMMARY FINAL REPORT
OME-6455 (Gold-Silver
Continental Quicksilver, Inc.
MAP - Figure 1

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

APR 23 1970

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER U. S. Geological Survey
Office of Minerals Exploration

STREET AND NO. OR P.O. BOX
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 3811 Apr. 1967 o55—16—71548-10

Puffeet-OME-6455

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO. 500026

CERTIFIED NO.

INSURED NO.

DATE DELIVERED 4/23/70

(1) SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

Willard J. [illegible]

(2) SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

(3) SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

MME Form 7
(2/63)

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Date	Surname	Code
4/20/70	Emerick	120
		120
4/20	cal	220

APR 20 1970

APR 20 1970

AIRMAIL

Memorandum

To: Field Officer, Region 1

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are three copies of the summary final report on the subject docket. Please sign the enclosed original copy of the last page and return it to this office.

Your draft copy of the report is returned herewith.

Harold Kirkemo (gh)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

WLEmerick/bsl 4/20/70

April 8, 1970

Memorandum:

To: Harold Kirkemo, Chief, OME

From: Willard P. Puffett

Subject: Rough draft for typing in final form
Summary Final Report
OME-6455

Enclosed is my rough copy of the final summary report on Continental Quicksilver's exploration at the old De Lamar mine. Our procedure here has been to make one typed copy and then make 3 xerox copies. The original has been sent to you and the three copies distributed in our office.

It seems reasonable to me to have you retain the original typed copy with the enclosed map, and to make 3 xerox copies to return to me. I'll attach the map to each copy and file them according to our custom.

I hope that this can be accomplished with a minimum of trouble. I'll try to submit readable copy and in the proper order. The typist can refer to some of my recent final reports as regards the format--if she has doubts. I have a xerox copy of this rough draft.

Willard
Willard

Put in docket

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/17/70		120
		220

AIRMAIL

Continental Quicksilver, Inc.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

MAR 17 1970

Attention Mr. Vin. R. Gray, Office Manager

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Thank you for the information furnished in response to our letter of February 28, 1970. We understand that negotiations with Perry, Knox, Kaufman, Inc. (PKK) pertaining to the subject property were terminated without agreement, and that you are negotiating with someone else on the same terms as with PKK.

These terms fail to include provisions of Article 2(c) of the subject OME contract which pertain to the preservation of the Government's rights to royalty on production and lien for the payment thereof. Current or future negotiations and any agreement resulting therefrom should include reference to the Government's aforementioned interest. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights should be furnished the Government as requested in our letter to the Operator dated February 17, 1969.

We hope that you succeed in arranging to further explore and develop this property.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I w/cy MME form 63 completed 3/11/70 and enclosure
Mr. Kirkemo
130

HKirkemo/gla 3-17-70

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

February 28, 1970

Continental Quicksilver, Inc.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

COPY
O. M. E.
RECEIVED
MAR 16 1970
INITIALS CODE
gla 130
HK 120
220

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 28, 1966, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [X] No [ ]

   See Below

   Has any interest in land situate within 1,500 feet of the southern boundary of the land described in the contract been acquired since February 28, 1966? (See "A Special Agreement Concerning Land" in Annex I, page 2). Yes [ ] No [X]

2. Since February 28, 1966, has there been any production from the land subject to the contract? Yes [ ] No [X]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since [illegible], has any production been transported through [illegible] workings (see [illegible] of contract)? Yes [ ] No [ ]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Wm. R. Gray Title Office Manager

Address Date March 11, 1970

We are negotiating with another party regarding assignment of our Lease & Option.
A copy of letter outlining the terms is attached.

OFFICES:

TUCSON, ARIZONA (BUSINESS)
2030 E. BROADWAY — SUITE 6
P. O. BOX 12754, ZIP 85711
TELEPHONE (602) 622-0582

SPOKANE, WASHINGTON
7202 SPRAGUE AVENUE — SUITE B
P. O. BOX 13296, ZIP 99206
TELEPHONE (509) WA4-0878

PERRY, KNOX, KAUFMAN, INC.

MINERAL EXPLORATION AND DEVELOPMENT

Spokane, Washington
September 22, 1969

Mr. C. H. Reynolds
Continental Materials Corporation
820 South Ninth Street
Grand Junction, Colorado 81502

Dear Mr. Reynolds:

It is our understanding that Continental Materials Corporation and its wholly-owned subsidiary, Continental Quicksilver, Inc., (collectively "Continental") are willing to enter into an agreement with Perry, Knox, Kaufman, Inc., (PKK) as representatives of Pinnacle Exploration, Inc., (a subsidiary of Callahan Mining Corporation), Vitro Minerals Corporation, and Day Mines, Inc., pertaining to that certain mining property located at DeLamar, Idaho, which Continental now controls under a Lease and Option between Continental Quicksilver, Inc., and Marian C. Rushing, Charles T. Lark, Jr., et al., dated Oct. 31, 1963, and the First Amendment to said Lease and Option dated Dec. 1, 1964, whereunder PKK shall have the exclusive right to explore the property, more particularly described in the above-mentioned agreements, for the purpose of ascertaining any and all facts relating to the occurrence of ores and minerals in and under the property and to the mining, milling and treatment thereof, subject to the terms of the above-mentioned agreements.

The following outlines the basis upon which Continental and PKK agree to procede with exploration efforts pending the preparation of a formal agreement:

1. PKK agrees to spend at least $4,000.00 for exploration work on the above described property prior to Nov. 17, 1969.

2. On or before Nov. 17, 1969, PKK shall either terminate its interest in the property, or exercise an option to spend an additional $11,000.00 for exploration work prior to Dec. 31, 1969 (total minimum exploration expenditures required hereunder from the date of this agreement to Dec. 31, 1969, shall be $15,000.00). If PKK agrees to complete the $11,000.00 additional work performance prior to Dec. 31, 1969, Continental agrees to make the $10,000.00 property payment due Dec. 31, 1969, under the terms of its Lease and Option.

3. On or before Dec. 31, 1969, PKK shall either terminate its interest in the property, or agree to spend at least $20,000.00 as work performance during 1970 and to reimburse Continental $5,000.00 of the property payment made by Continental on or before Dec. 31, 1969.

4. On or before Oct. 31, 1970, PKK shall exercise an option either to terminate its interest in the property, or agree to make the property payment due on Dec. 31, 1970, under the terms of Continental's Lease and Option with the property owners and to spend $20,000.00 as work performance during the following twelve-month period.

5. Unless this agreement is terminated, PKK shall have the option to terminate or continue on Oct. 31 of each year as described in paragraph 4, provided, however, that work requirements shall cease when work performance and property payments made by PKK total $200,000.00.

6. The maximum total "qualifying expenditure" required hereunder, including both work performance and property payments, shall be $200,000.00.

7. Continental shall receive a base interest in the form of a ten percent (10%) carried net profits interest after PKK has recovered its exploration and development costs in excess of the $200,000.00 "qualifying expenditure."

8. After the $200,000.00 "qualifying expenditure" has been made by PKK, Continental shall have the option either to participate in the venture on a working interest basis to a maximum of twenty-five percent (25%), or to receive an additional five percent (5%) carried net profits interest. At Continental's option it may choose a combination of both working and carried interest (the carried interest here referred to is that five percent described in this paragraph 8) on the basis of a five percent (5%) working interest being equivalent to a one percent (1%) carried net profits interest. The total working interest available will be exclusive of Continental's ten percent (10%) base interest, i.e., ninety percent (90%) of the profits will be available for division on a working interest basis.

9. If PKK terminates this agreement prior to spending $200,000.00 in property payments and work performance, it shall have no equity interest in the property. If PKK chooses to proceed no further after a $200,000.00 expenditure has been exceeded, PKK shall have earned a 50% working interest in the property (above Continental's base interest) and shall contribute 50% of the expenditures required thereafter, subject to PKK's right to completely terminate its interest in the property at any time. Should Continental elect to terminate its interest in the property, it will offer its interest to PKK before releasing it to the owners.

10. PKK shall furnish Continental all factual data developed as a result of its exploration efforts in the event it elects not to go forward or to terminate its interest.

11. Continental agrees to cooperate in attempting to renegotiate the production royalty rate as set forth in its agreement with the property owners.

It is understood that a more formal agreement will be entered into by the parties hereto, embodying the provisions set forth above and such other necessary or desirable provisions as to which the parties shall mutually agree.

If the above is satisfactory to Continental, please sign the three copies of this letter in the space provided below and return two copies to PKK at our Spokane address.

Very truly yours,

PERRY, KNOX, KAUFMAN, INC.

By James A. Knox
Vice President

Accepted this ____ day
of September, 1969

CONTINENTAL MATERIALS CORPORATION

By_____

Accepted this _____ day
of September, 1969

CONTINENTAL QUICKSILVER, INC.

By _____

Ome (2)

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 10 1969

gla 130
~~120 Me~~
~~170 C~~
220

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
March 5, 1969

Mr. Gary Rushing
2805 "H"
Vancouver, Washington 98663

Dear Mr. Rushing:

We are attempting to learn the correct mailing address of Miss Marion C. Rushing. The last mailing address we have for her was 5317 N. W. Fruit Valley Road, Vancouver, Washington 98660.

We have searched the telephone directory and the city directory of Vancouver and find that you are the only Rushing that is listed. Possibly, you might be related to Miss Rushing and can give us an address to which we might write her. Please use the enclosed self-addressed envelope to answer.

Thank you for any help you can give us.

Sincerely,

Willard P. Puffett
Geologist, OME
Region I

Enclosure

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

WPPuffett:mls

cc: OME(2)
CPF

Director's Reading Copy

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/4/69		120
		220

MAR 4 1969

Memorandum

To: Field Officer, Region I

From: Acting Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

The letter dated February 17, 1969, and copy of letter to the subject Operator of the same date, forwarded to Miss Marion C. Rushing, 5317 N. W. Fruit Valley Road, Vancouver, Washington 98660, was returned by the Post Office, marked "Moved, not forwardable." If it is possible for you to obtain the present address of Miss Rushing, we would appreciate being advised.

Harold Kirkemo (gla)
Harold Kirkemo

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
130

GLAult/a 3-4-69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/25/69	Kirkemo	120
		110
		220

FEB 25 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed is a copy of a letter dated February 14, 1969, from Willard P. Puffett, Geologist, OME Region I, transmitting to the Operator a copy of the Report of Review issued in January 1969 on the subject contract. Also enclosed is a copy of the report for your files.

FRANK E. JOHNSON (GLA)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

GLAult/a 2-25-69

OME (2)

OFFICIAL COPY
O. M. E.
RECEIVED
FEB ~~25~~ 24 1969

INITIALS	CODE
	120
	220

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
February 14, 1969

AIR MAIL

Mr. C. H. Reynolds
Continental Materials Corporation
820 So. Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Reynolds:

Enclosed is the Operator's copy of a Report of Review issued in January 1969 on project costs under the subject contract.

Sincerely,

Willard P. Puffett
Geologist, OME
Region I

Enclosure

MLSmelser/mls

cc: OME(2)
Voucher File

Director's Reading File

MMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/10/69	Kirkemo	120
		120
		110
		220
		120M

AIRMAIL

FEB 10 1969

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Two copies of a Report of Review issued in January 1969 are enclosed.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may have, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If you do not concur, both copies of the report should be returned to this office with appropriate comments.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. ~~XXXXXXXX~~ Kirkemo
130

HKirkemo/bsl 2/10/69

dard Form No. 1047
7 GAO 5000
1047-104

PUBLIC VOUCHER FOR REFUNDS

Voucher No. 93457

. S. Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Washington, D. C. 20242

Appropriation or Fund: 14X6875(08)

To
Address
Continental Quicksilver, Inc.
P. O. Box 190
Grand Junction, Colo. 81502

OFFICIAL COPY
O. M. E.
PAID BY RECEIVED
DEC 13 1968

INITIALS	CODE
gla	130
gal	170
JL	110
HK	120

Withheld
~~Deposit received~~ from the above-named ~~depositor~~ on January 6, 19~~68~~

for pending receipt of final report on Contract #2214 - OME-655

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit Sch #5314 $ 200.00

Applied as explained in "Remarks" below

Balance authorized to be refunded $ 200.00

Remarks:
An acceptable Operator's Final Report has been received per memo from Chief, Office of Minerals Exploration, 12/5/68

(Sign original only) A. Gabor

Title

Refund by
Check No.
Cash, $ on (Signature of payee) (Sign original only)
Other method, $, (Describe)

* U.S. GOVERNMENT PRINTING OFFICE : 1960 O—572727

OFFICIAL FILE COPY

Date	Surname	Code
10/30/68	Kirkemo	120
		110
12/5	Cole	220
		120M

DEC 5 1968

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

An acceptable Operator's Final Report has been received on the subject contract. It is recommended that the $200.00 withheld on the Operator's Supplemental Voucher for November 1966 be paid.

FRANK E. JOHNSON (gla)

Frank E. Johnson

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

GLAult/a 10-30-68

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 10, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 14
INITIALS

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Work under the subject contract was terminated effective December 1, 1966, under the terms of Amendment 3, item 4(a), because work was not resumed by July 1, 1968; item 4(c) provides for payment of royalty on production that may become due the Government.

The number of units completed by the Operator and accepted by the Field Officer as conforming to contract specifications were:

Actual Costs

Bulldozing access roads and drill sites (D-7 Cat)			20 hrs
Mobilization and demobilization of 1 surface drill			1 job
Diamond drilling:			
Overburden			26 feet
0-500 feet	Plug bit		746.5 "
	NX size bit		1,727.5 "
500-750 "	BX "	"	1,250.0 "
750-1000 "	" "	"	871.0 "
Over 1000 "	" "	"	118.0 "
Cement, drill mud, etc.			$1,081.80
Core boxes (cardboard)			317 each
" " (wood)			25 "
Reaming and casing			80 hrs
Cementing and redrilling			80 "
Surveying with in-hole instrument			9 "

Fixed Unit Costs

Incidental allowance	4,739 feet
Assays for gold and silver	99 each

An acceptable Operator's Final Report was received September 27, 1968.

A Report of Review, in lieu of a final audit, is in order and requested. For this purpose the original copies of the final (Supplemental November 1966) MME-60 and MME 61, together with supporting documentation were forwarded to you January 30, 1967.

It is recommended that, if practicable, the $200.00 withheld on the Operator's Supplemental Voucher for November 1966, continue to be withheld pending issuance of the Report of Review.

D R MacLaren

D. R. MacLaren

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/3/68	Kirkemo	120
		110
		220
		120M

OCT 3 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are two copies of the Operator's Final Report and transmittal letter dated September 25, 1968. We have retained the original copy in our file. The report appears to be acceptable. If it is acceptable to you, please submit two copies of a concurring memorandum and a recommendation for payment of the $200.00 withheld on the Operator's Supplemental Voucher for November 1966.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 10-3-68

AREA CODE 303
PHONE: CHAPEL 3-2100

NTINENTAL MATERIALS CORPORATION

NING FIELD OFFICE: 820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

September 25, 1968

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 27 1968

INITIALS	CODE
gh	130
Bal	120 m
FJ	110
HK	120

United States Department
of The Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Attention: Frank E. Johnson
Chief, Office of Minerals Exploration

Gentlemen:

As requested in your letter of September 10, 1968 we submit herewith three copies of the final report and other data consisting of the following:

Final Report of Work Performed.

Statement of Total Allowable Costs.

Plan Map and three Sections showing the completed drill holes.

Very truly yours,

Continental Quicksilver, Inc.

Vin. R. Gray

Vin. R. Gray

VRG:jd
Encls.

Copy to OME Region I

September 24, 1968

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

FINAL REPORT OF WORK PERFORMED UNDER THE ABOVE REFERENCED CONTRACT

The application requesting OME assistance in exploring the DeLamar Property was filed in March, 1965. In March, 1966 an exploration program was approved allowing eight diamond drill holes at an estimated total cost of $61,360.00, with 62½% OME participation. Seven of the proposed holes were designed to explore the rake projection of the "77" vein system and one was proposed to explore for the downward extension of the Sommercamp vein system.

Drilling commenced in May, 1966 and five holes were completed before the close of the field season.

Following is a summary of these holes in the order in which they were drilled and results obtained.

Hole No. 5: This hole was drilled first, as the site was relatively flat, easy to prepare, and the driller was ready to move in. It was planned to test the down-dip projection of the Sommercamp Vein System (see attached plan map, and sections). The hole was designed to go to 800 feet, on a N60°E bearing, and -50° dip, and it was drilled as designed and bottomed at that depth. The Henrietta and DeLamar Faults were encountered essentially where they were expected, however, the Sommercamp Fault, which should overlie the vein system was not cut in the hole, therefore no vein material was found.

Several splits of core, representative of the various lithologic units encountered, were assayed, but none showed appreciable gold or silver.

Operator's Final Report

Hole 1B: This hole, close in to the old mine workings, was drilled next. It was designed essentially as an experience hole, to give a clearer picture of the subsurface geology, and character of the veins. In the above respect, it served its purpose. The geology was similar to that expected, and a thick vein of comb quartz was encountered at the projected depth of the "77" vein. Core recovery of this psuedomorphic quartz was very poor, as it has a tendency to crumble ahead of the bit and to grind up, and unfortunately we were unable to maintain circulation in this hole, because of it's topographic position, and being near old mine workings. The best mineral encountered was in the hangingwall of the DeLamar Fault, as follows:

Sample No.	From	To	Feet	Rec.	Au.	Ag.
699	557.7'	558.7'	1.0'	100%	Tr.	12.00

Lesser mineral was found on both sides of this interval, and a check assay of the above pulp assayed a trace of Au, and 7.98 oz. Ag.

Hole No. 3A: This hole, 800 feet from No. 1B, along strike to the southeast and 400 feet from any known workings was drilled next. The footwall of the DeLamar Fault was found to be 100 feet deeper than projected, and tuff was encountered here, where the porphyry was expected. However the porphyry was cut about 160 feet farther down the hole, below a lower fault. This lower fault is assumed to be parallel to the DeLamar, and may actually be a branch of that fault.

Vein material was cut in the DeLamar Fault and at several locations below, but none of these intersections would be identified as the "77", at the time the hole was drilled. An interpretation might be that the vein cut in the DeLamar Fault may actually be the "77", and those below are then footwall structures.

Some good assays were obtained from these footwall "hot spots," as follows:

Sample No.	From	To	Feet	Rec.	Au.	Ag.
1021	652.0'	654.0'	2.0'	100%	0.015	6.00
1026-1034	848.0'	852.0'	4.0'	97.5%	0.017	18.00
1045	910.0'	913.3'	3.3'	80%	Tr.	6.00
1033	921.1'	922.1'	1.0'	100%	0.01	10.40

Lesser values exist on either, or both sides, of the above, or at other locations. There are also some assays of sludge, and some check assays.

Hole No. 4B: This hole, located another 1200 feet to the southeast of 1B, was drilled following the completion of No. 3A. Inasmuch as the 3A hole indicated a steepening of the dip of the DeLamar Fault to the south, this hole was drilled at -70°. Again tuff was encountered directly below the DeLamar Fault, and the porphyry found underlying a lower fault. However, in this hole, the lower fault was found to be much thinner, and only a short distance below the footwall of the DeLamar. The hole was bottomed at 1039 feet, without encountering a vein fitting the description of the "77" vein, although again some good mineralization was encountered, as follows:

Sample No.	From	To	Feet	Rec.	Au.	Ag.
1100	939.5'	941.0'	1.5'	100%	0.11	1.30
1151-1117	950.3'	961.6'	11.3'	84%	0.12	4.80

Hole No. 3B: This hole, the last to be completed during the 1966 field season, was drilled in the same section and from the same site as 3A, but at a -70° dip. The hole was bottomed at 1079 feet, encountering similar geology as the 3A hole, but cutting what was interpreted to be the "77" vein from 819 to 841 feet. Samples of this material however failed to show any mineral of significance.

The intersection of the "77" vein in this hole, coupled with the intersection in hole 1B afforded an opportunity to project this major target with some degree of accuracy. It would now appear that an intersection might have been obtained in hole 4B had it been drilled another 100 to 150 feet.

Geology: Mapping indicates three major fault systems, being oldest to youngest, (1) north-south, (2) northwest-southeast, and (3) east-west. The latter being the "iron dike" system of thrust faulting, which has apparently played an important part in ore emplacement. Various writers have considered these to be pre-ore and post-ore. It is probable that they are pre-ore, with possible post-ore movement. The veins are assumed to be fillings of tension fractures produced by these faults. However, some vein material is found within these faults, which is rather difficult to explain.

In the immediate DeLamar Mountain area there are two major rock units, an older tuffaceous rhyolite unit, and younger porphyritic rhyolite (quartz phenocrysts). All of the major oreshoots mined in the past were mined in the younger unit, however some minor mineralization has been found in the tuff beds.

The best oreshoots found to date, were those in the "77" vein system, in the porphyritic rhyolite, lying immediately below, or against the DeLamar Fault. No ore has been mined from this system, farther than 800 to 1000 feet away from this fault, and these were on the 8th level, the best level of the old mine.

The drilling program was designed to explore the "77" vein system, along it's strike, and immediately below the DeLamar Fault. To date only scattered mineralization has been disclosed by drilling and no major structure with significant mineralization associated can be indentified.

Signed C. H. Reynolds
C. H. Reynolds

TOTAL ALLOWABLE COSTS

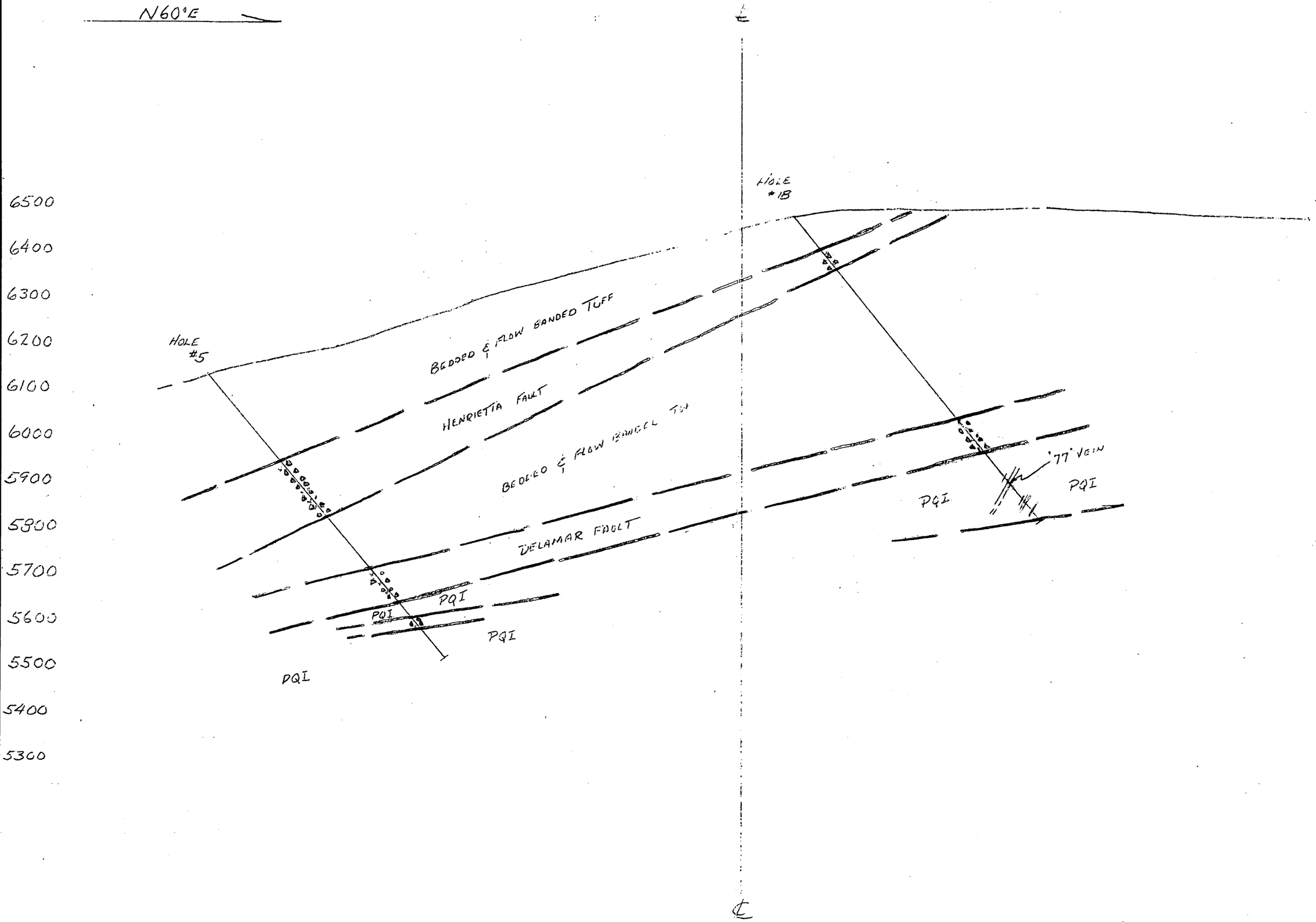
Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Bulldozing	$ 280.00
Mobilization	700.00
Drilling:	
Diamond Core	32,586.65
Overburden	191.10
Supervision & Technical	1,651.65
Supplies	1,081.80
Coreboxes	257.80
Casing	960.00
Cementing	960.00
Surveying	108.00
Assays	302.50
Total	$39,079.50

BY GLB DATE
CHKD. BY DATE
Scale: 1" = 200'

SUBJECT SECTION 4 DELAMAR GEOLOGY, OWYHEE CO., IDAHO

SHEET NO. OF
JOB NO.



BY: GLB DATE
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Scale: 1"=200'

SUBJECT SECTION 6 [illegible]
GEOLOGY, UNITED [illegible]

SHEET NO. OF
JOB NO.

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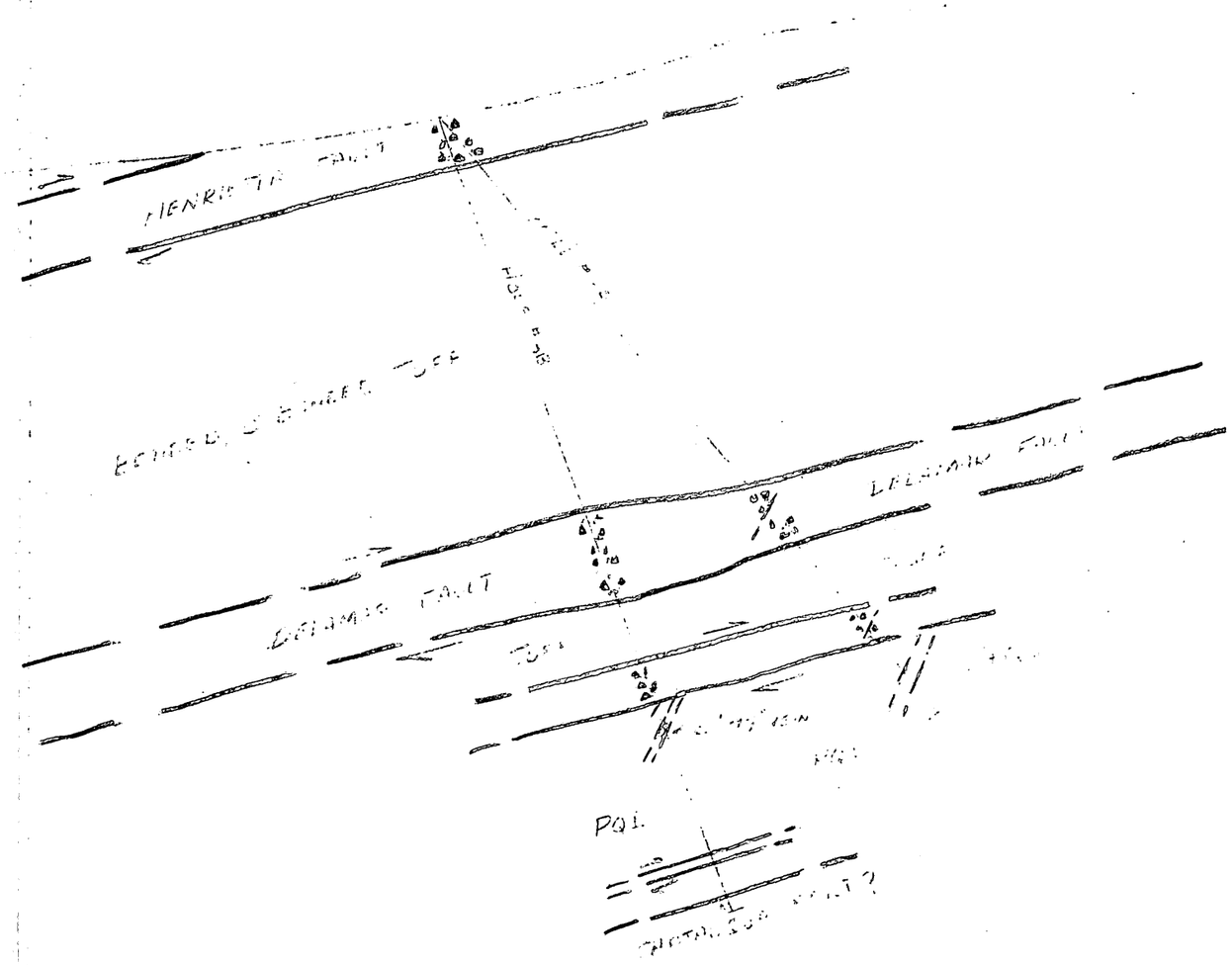

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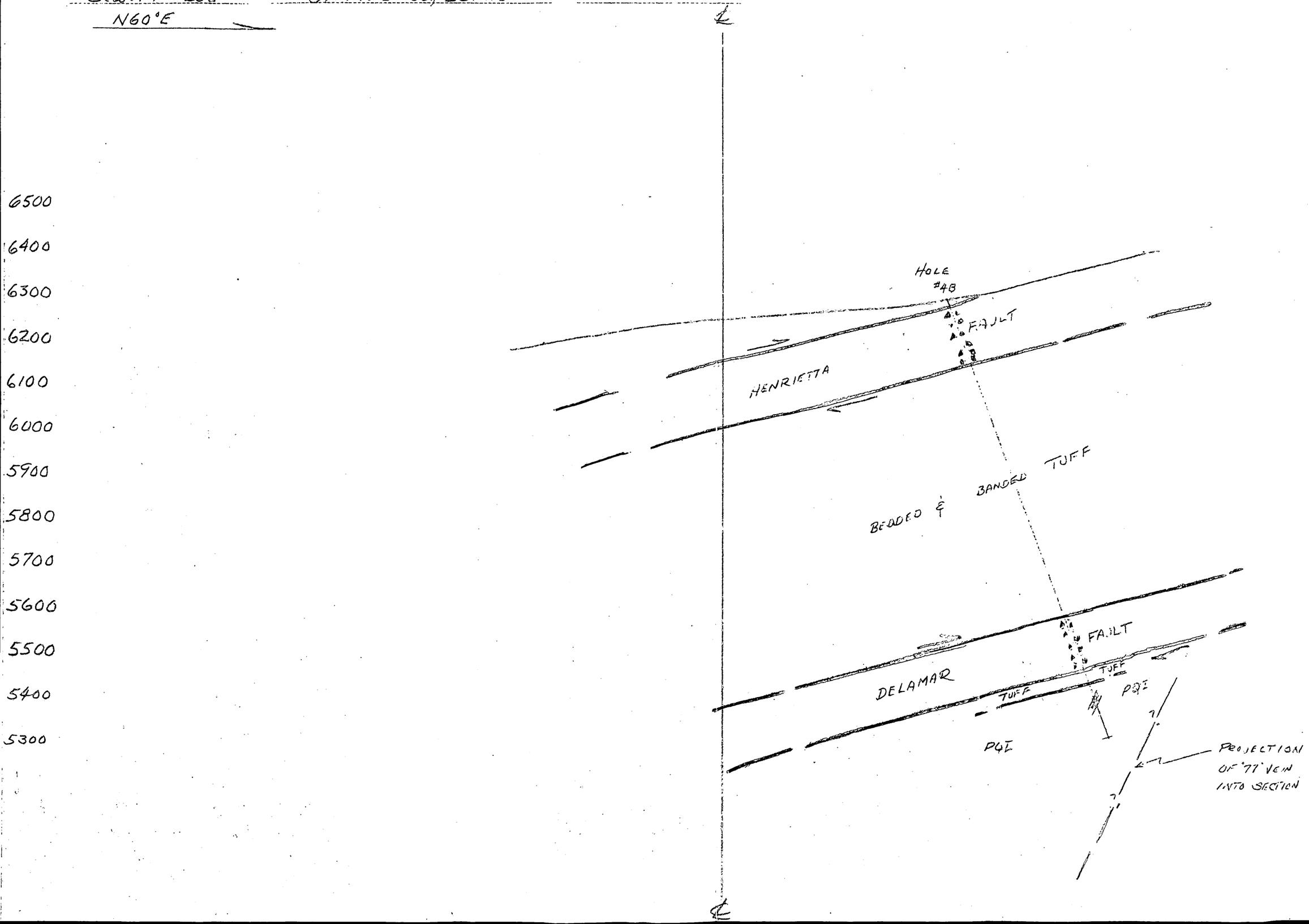
BY: GLB DATE
CHKD. BY DATE
Scale: 1" = 200'

SUBJECT: SECTION 7
DELAMAR GEOLOGY
OWYHEE CO, IDAHO

SHEET NO. OF
JOB NO.

N60°E



OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/10/68	Kirkemo	120
		110
9/10	cae	220
		120M

AIRMAIL

SEP 10 1968

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Please refer to our letter of August 1, 1968, and to Amendment No. 3 to the subject contract. As you have not replied to our letter and as the July 1, 1968, deadline for resuming work under the contract is now past, the contract is terminated effective December 1, 1966.

Your attention is directed to Article 5(b) of the contract and to Article 4(c) of Amendment No. 3 to the contract regarding furnishing to the Government three copies of a final report (in addition to the latest monthly report). This report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological maps and/or sketches, and a summary of the work performed and the unit costs thereof. These reports should be sent to the Field Officer, OME Region I, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Assays and drill logs previously submitted with monthly vouchers and progress reports need not be resubmitted, but reference to such material should be clearly identified.

The Operator's royalty obligations are set forth in Article 7 of the contract as amended by Amendment No. 3, Article 4(d).

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 9-10-68

SURNAME COPY

8/1/68 Hkirkemo 120

110

AIRMAIL

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

AUG 1 1968

220

120M

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Thank you for your letter of July 22, 1968, informing us that work on the contract was not resumed by July 1, 1968, and requesting an amendment to extend the recess an additional year, or to July 1, 1969, and to extend the date for completion of the work another year, or to February 28, 1970.

We regret that you could not resume work on the project by July 1, 1968. Under the circumstances explained to you in our letter of July 12, 1968, we cannot agree to further suspension of work and extension of the contract except as noted. We stated that we would agree to prepare an amendment allowing an additional 60-day recess ending September 1, 1968, on the condition that every effort would be made to resume work by that date with the expectation of completing work on the contract by February 28, 1969.

If you cannot arrange to resume work under these conditions, the contract is terminated effective December 1, 1966, as stated in Article 4(a) of Amendment No. 3 to the contract, and all provisions of the contract, as amended, regarding winding-up and settlement actions, final report and final account, and royalty obligations are in effect.

A final summary of these reporting requirements and royalty obligations will be sent you shortly unless we are advised that an amendment should be prepared allowing a recess until September 1, 1968, when work would be resumed on the contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
HKirkemo

HKirkemo/gla 8-1-68

AREA CODE 303
PHONE: CHAPEL 3-2100

TINENTAL MATERIALS CORPORATION

IELD OFFICE: 820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

July 22, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 25 1968

INITIALS	CODE
	120
	120
	120
	120

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Geological Survey
U.S. Department of the Interior
Washington, D.C. 20242

Re: OME 6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine, Owyhee Co., Idaho
Contract 2214

Dear Mr. Johnson:

This will acknowledge receipt of your letter of July 12, 1968 and will serve to notify you that we did not resume work on this contract by July 1, 1968. Why?

We appreciate your suggestion for an amendment allowing an additional 60 day recess in which to commence work, but we are not at all optimistic that the remainder of the program could be completed this season if work was resumed between now and September 1. If we could mobilize and move in, and did not complete the program before inclement weather drove us out, it would mean an expensive de-mobilization, a necessary extension of time to complete, and another mobilization cost next season.

We are appreciative of the cooperation and patience you have shown in the execution of this effort to date. We would point out that to date Continental Quicksilver has expended a total of $100,000 in exploration funds on this project. Of this sum approximately $25,000 has been contributed by OME participation.

In view of the time and weather factors involved we feel that an amendment allowing a time extension to cover another full field season is not unreasonable.

We therefore respectfully request that OME consider further amending our present contract to provide that the work be recessed until July 1, 1969 and completed not later than February 28, 1970.

Very truly yours,

C. H. Reynolds

C. H. Reynolds

CHR:jd

cc: D. R. McLaren

Surname copy

7/12/68 Kirkemo 120

110

220

120M

AIRMAIL

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

JUL 12 1968

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

This is in reply to your letter of June 13, 1968, to Mr. D. R. MacLaren, Field Officer, OME Region I, wherein you requested an amendment allowing another year to complete this contract. We have not been advised that you obtained qualified technical personnel and a competent drilling contractor and resumed work on the project by July 1, 1968. If not, under terms of Amendment No. 3 to the contract, the contract is terminated. However, if work was resumed by July 1, 1968, the contract is in force until February 28, 1969.

Inasmuch as the allowable recess expired July 1, another amendment would be necessary to reinstate the contract if work was not resumed by that date. We would agree to prepare an amendment allowing an additional 60-day recess, ending on September 1, 1968, only on the condition that you will make every effort to resume work by that date and can continue work with the expection of completing the contract by February 28, 1969.

We have allowed 19 months for suspension of drilling on this contract, and have provided for a termination date 18 months beyond the first 18 months originally allowed by the contract. This is evidence that we have cooperated with you in allowing reasonable time to accomplish the exploration specified in the contract. We cannot, however, allow Federal funds to be tied up indefinitely on inactive projects. Our funds are limited and are urgently needed for other projects.

Your early reply regarding your views on this matter will be appreciated.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 7-12-68

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	6/25/68	
Re: OME-6455 (Gold-Silver)		
2. Continental Quicksilver, Inc.		
DeLarmar Mine		
3. Owyhee County, Idaho		
Contract 2214		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 27 1968
INITIALS CODE

FOR: Check items for action desired

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

REMARKS: The attached is in reply to your letter of 6/10/68 inquiring whether or not work will be resumed by July 1, 1968, the date the period of recess expires.

INT.-DUP. SEC., WASH., D.C. M56300-62

PHONE [redacted]

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO [illegible]

[illegible] 3, 1968

[illegible]
[illegible]
[illegible]
[illegible]
[illegible] Riverside [illegible]
Spokane, Washington [illegible]

[illegible]

Dear Mr. [illegible]:

This will [illegible] of your letter of [illegible] 10, 19[illegible] [illegible] above [illegible].

For the past [illegible] our efforts to [illegible] qualified [illegible] personnel and [illegible] of a competent [illegible] this program have [illegible] little success. I am sure that you [illegible] the present [illegible] of activity in the mineral [illegible] pressures on available personnel and equipment.

We will continue [illegible] try to arrange the [illegible] of this [illegible] during the 1968 field season, but at this time I am not [illegible] able to do so.

In view of the prevailing situation we would like at [illegible] to request a further extension of time to complete this contract.

Please [illegible] request for [illegible] similar to [illegible] Amendment No. 1, [illegible] which [illegible] complete [illegible].

Sincerely,

[illegible signature]

[illegible]

[illegible]

[illegible]

PHONE

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

June 13, 1968

Mr. D. R. MacLaren, Field Officer,
OMR, Region I
Geological Survey
156 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OMR-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. MacLaren:

This will acknowledge receipt of your letter of June 10, 1968 in regard to the above referenced contract.

For the past several months our efforts to mobilize qualified technical personnel and obtain the services of a competent drill contractor to complete this program have met with little success. I am sure that you are aware of the current high level of activity in the mineral exploration field and the pressures on available personnel and equipment.

We will continue to try to arrange the completion of this project during the 1968 field season, but at this time I am not optimistic about being able to do so.

In view of the prevailing situation we would like at this time to request a further extension of time to complete this contract.

Please consider this a request to further amend the contract, on terms similar to those provided in Amendment No. 3, to provide for another year in which to complete this project.

Sincerely,

C. H. Reynolds

C. H. Reynolds

CHR:jd

RECEIVED
JUN 25 1968

GEOLOGICAL SURVEY
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 13 1968

INITIALS	CODE
gla	120
[illegible]	120
[illegible]	~~120~~
HK	~~120~~

June 10, 1968

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

The period of recess provided in Amendment No. 3 to the cited contract expires July 1, 1968. We would appreciate being informed as to whether work will be resumed by that date.

In the event that work will not be resumed by July 1, your attention is directed to item 4 of the Amendment.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren:my

OME
Director's reading file

CONTINENTAL MATERIALS CORPORATION

OFFICIAL
COPY
O. R. E.
RECEIVED
AUG 9 1957

INITIALS	CODE
[illegible]	120 m
[illegible]	~~110~~
HR	120

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 28, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 31 1967

INITIALS	CODE
Zla	120
Jkg	~~110~~
HK	~~120~~

AIR MAIL

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Enclosed arethe original and three copies of proposed Amendment No. 3 (two pages), signed for the Government by the Chief, Office of Minerals Exploration

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/24/67	Kirkemo	120
"	Johnson	110
7/24	Dover	220
7/25	Trent	
7/27	Baker	
		110
7/26	[illegible]	220

120M

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are the original and three copies of proposed Amendment No. 3 (two pages), signed for the Government. An extra copy is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

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

HKirkemo/gla 7-24-67

23263

MME FORM 6
REV. 2

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:

		DATE	INITIALS
1.	~~Assoc. Sol. - MR, Rm. 6554~~ ~~Through Rom. 6042~~		
2.	Mr. Kirkemo, Rm. 4459		
3.			
4.			
5.			

FROM: Chief, OME

RECEIVED
JUL 19 1967
Division of Mineral Resources
and General Legal Services

FOR: Check items for action desired

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

REMARKS:

9-67-2129.3192
~~9-66-2018.44~~

INTERIOR DEPT.
JUL 19 1967
SOLICITOR

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

M56300-62

DRAFT 7/18/67
HKirkemo/gla

To Legal 7/18

120 HR
~~110~~
120M

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Continental Quicksilver, Inc., hereinafter called the "Operator," that Exploration Contract 2214 (OME-6455), dated February 28, 1966, as amended, is amended further effective June 1, 1967, as follows:

1. (a) Drilling under the contract may be suspended during the period beginning June 1, 1967, and ending not later than July 1, 1968.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by Article 1 of the contract, as amended by Amendment No. 2, for completion of the work is extended from twenty-four (24) months to thirty-six (36) months from the date of the contract, or to February 28, 1969.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

4. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension; and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective June 1, 1967, if the work has not been resumed on or before July 1, 1968.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 4 (a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as a maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

CONTINENTAL QUICKSILVER, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 10, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 12 1967

INITIALS	CODE
	120 M
	110
HW	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

There are enclosed two Thermo-Fax copies of a letter dated July 5, 1967, from the subject Operator which is self-explanatory.

The present status of the contract has been the subject of letters dated February 28, March 10, March 15, and March 29, 1967, between the Field Officer and G. L. Brooke, formerly geologist for the Operator'

In brief, Holes 1-B, 3-A, 3-B, 4-B, and 5 have been drilled for a total of 4,739 feet; 4,150 feet was the estimated total depth of these five holes. The results have not been conclusive, but they have been somewhat encouraging as follows:

Hole No.	Hole depth (feet)	Sample interval (feet)	Average grade Au	Average grade Ag	No. of samples
1-B	556.8-558.0	1.2	0.003	10.3	2
3-A	848.0-852.0	4.0	0.0175	16.0	2
	(1 check assay)	4.0	0.007	15.69	2
	858.6-859.6	1.0	0.005	5.3	2
	921.1-922.1	1.0	0.005	9.09	2
4-B	952.0-959.6	7.6	0.14	5.6	5
	952.0-956.8	4.6	0.18	4.82	2
	957.6-959.6	2.0	0.11	13.9	1

Vein correlation between the holes is difficult because the veins are cut by faults the displacements of which are not clearly understood.

If it were a matter of postponing resumption of work for a month or so, I would recommend approval of the request without any other condition. Because of the length of the requested recess it is recommended that it be approved, if practicable, with work to be resumed on or before *July 1, 1968. The amendment should include the usual mandatory termination date and pseudo-certification should the work not be resumed by July 1, 1968.

*rather than June 1, 1968, as requested.

D. R. MacLaren

D. R. MacLaren

Enclosures

PHONE

CONTINENTAL MATERIALS CORPORATION

July 5

...rl
...iver, Inc.

Dea

...ed to Mr. G. L.
Brook... to accept employ-
men... any. Another of
our ... ee in uranium
expl...

...nnical personnel
our ... equipment have met
with a... this time to
resp... ing the work
propo...

Please cons... a request ... ing until not
later than June ... and to further ... completing work
under the contract ... 4 months ...

...rely,

(s) C.H. Reynolds

H. Re... Engineer

By Mail

CHR:id

JUL 1 ...

cc: S. M. Gunther

FORM 6 REFERENCE SLIP

N. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	7/5/67	
2.	Re: OME-6455 (Gold-Silver) Continental Quicksilver, Inc.		
3.	DeLamar Mine Owyhee County, Idaho Contract 2214		
4.			
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 8 1967
INITIALS/CODE

FOR: Check items for action desired

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

REMARKS:

In reference to my letter of 3/15/67 to Mr. Brooke which is self-explanatory.

INT.-DUP. SEC., WASH., D.C. M56300-62

PHONE:

CONTINENTAL MATERIALS CORPORATION

[redacted]

[illegible] SOUTH NINTH STREET P. O. BOX [illegible] GRAND JUNCTION [illegible]

March [illegible],

Mr. [illegible] Wallace
[illegible]
Office [illegible] Minerals Exploration
[illegible]

[illegible] Inc.

Dear M[illegible]

[illegible] monthly report [illegible] Hole [illegible], was [illegible] to contain 0.01 [illegible] Ag, but [illegible] this was [illegible] copy of [illegible]

[illegible] approval, [illegible] revision made for drill[illegible] A [illegible] hole was [illegible], as approved.

[illegible] drilling hole [illegible] bearing, and [illegible] 70° dip, at a location 100' N60° E, and [illegible] was [illegible] Hole [illegible], or approximately 10,[illegible] and 07,200 [illegible].

Additional holes would be based on [illegible] obtained from this hole.

[illegible]ely,

/s/ G. L. Brooke
[illegible] per CHR

GLB:jd

Enc.

RECEIVED
MAR 30 1967

CONTINENTAL URANIUM COMPANY OF WYOMING CONTINENTAL EXPLORATION, INC. WOODSCOUT, INC.

165 SOUTH WEST TEMPLE ST. CERTIFICATE OF ASSAY TELEPHONE WASATCH 1214

BLACK & DEACON

ASSAYERS AND CHEMISTS

Continental Materials

SALT LAKE CITY, UTAH, August 30, 1966

ASSAY PER TON OF 2000 POUNDS

NAME	NO.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	[illegible] %	[illegible] %	ZINC %	%	IRON %	%
[illegible]27		Trace		0.2	973.1-974.[illegible]	heavily silic, ab vis min. free gold?					
1033		Trace		Trace	972.1-973.[illegible]	Partially " , some " " mostly Py					
1030		Trace		0.3	962.3-963.[illegible]	Partially to heavily silic, some vis min.					
1030		Trace		0.2	945.5-946.5	clean qtz. pseudomorphous, drusy [illegible]					
1031 12" core		Trace		0.2	858.6-859.[illegible]	Iron dike very similar to 1030 & 850					
1032 12" core		Trace		Trace	579.2-580.2	"PQI" Partially silic, [illegible] ab vis min.					
Palmer 3A #1023 721-722 12"		0.01		10.4	921.1-922.[illegible]	"PQI" Soft glt gy, ab clay, sp vis min, broken					

CHANGES

Correction sheet — replaces previous sheet on which 1031 & 1033 were reversed.

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 30, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 3 1967
INITIALS | CODE
gla | 120 M
HR | 120
file

AIRMAIL

Mr. G. L. Brooke, Geologist
Continental Quicksilver, Inc.
820 S. Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Brooke:

By Amendment No. 2 work should have been resumed on or before June 1, 1967. If it has not been resumed, kindly request an extension of the recess specifying a date on or before which work can be resumed.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME

Director's Reading File

Contract [illegible]
Docket [illegible]

OFFICIAL
COPY
O. M. E.
RECEIVED
28 1967

March 28, 1967

Continental Quicksilver, Inc.
P. O. Box 190
Grand Junction, Colo. 81501

Gentlemen:

Reference is made to your supplemental voucher for the month of November which was processed for payment in February. An error was made in computing the Government participation portion of the approved amount of your claim and payment was made for $3,225.88 instead of the correct amount of $3,009.22, resulting in an overpayment of $216.66.

Please send your check for $216.66, made payable to the U. S. Geological Survey, to refund this overpayment, together with a copy of this letter for proper identification. The remittance should be sent to:

Branch of Budget and Finance
U. S. Geological Survey
Washington, D. C. 20242

We regret any inconvenience caused by our error.

Copy to R-15
3/29/67

Very truly yours,

F. G. Usher
Budget and Finance Officer

cc: Office of Minerals Exploration (2) Room 4460 Interior

Refund was paid by Operator.
H. Kirkham

One

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 15, 1967

AIRMAIL

Mr. G. L. Brooke, Geologist
Continental Quicksilver, Inc.
820 S. Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: GMR-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Brooke:

Thank you for your letter of March 10, 1967, and the enclosed maps.

My attempt to interpret the results of the drilling completed last season was of necessity based on such data as I could find in the Operator's Monthly Narrative Reports, drill logs, etc., and the basic material in Piper and Laney's report and maps. Unfortunately, my visits to the property have been limited in number and duration. You have been living with the project and therefore your comments are most valuable and greatly appreciated and have clarified several of the points that were bothering me.

Regarding the difference between our assay values in hole 3A for the interval 858.6 - 859.6 feet, the assay sheet you prepared and which accompanied the Narrative Report for September 1966, does indeed indicate trace gold and 0.20 ounce silver per ton. However, a Black and Deason assay certificate dated August 18, 1966, which accompanied the August narrative report shows 0.01 ounce gold and 10.4 ounces silver per ton from the same interval. I averaged these two assays to come up with 0.005 ounce gold and 5.3 ounces silver per ton. This is probably of no great import, but you should know the basis for our different values.

You say at the bottom of page 1 of your letter that you see nothing wrong in moving hole 1A to the southwest, but that you feel this footage could be used to better advantage farther away from the old workings. You do not say where you would prefer to collar this hole.

Will you please give me a bearing and distance from the intersection of the center line and some section line to your proposed 1A drill site, and the bearing, inclination, and depth of the hole.

Also, kindly give me the proposed bearing, inclination and depth of your proposed hole 4A, and the distance northeast (presumably N. 60° E.) of 4B from which your 100-foot offset to the north will be turned.

With these data I can get some idea of the targets for the next two holes.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME w/cpy incoming letter

Director's Reading File

CONTINENTAL MATERIALS CORPORATION

[illegible]

[illegible]

[illegible] interpret

[illegible] some [illegible] sampling.

[illegible] between [illegible]–650', [illegible] have assumed the [illegible] fits my impression [illegible] I don't think the Hamil[illegible] [illegible] coin has this [illegible] encountered in this [illegible] but I don't think

[illegible] Piper and Laney's [illegible] These maps show no [illegible] elevations with [illegible] scales we can come [illegible] various levels.

[illegible] strong in [illegible] the southwest, as [illegible] that this [illegible] used to better advantage [illegible] workings.

[illegible] thrust faults,
[illegible] correlate
[illegible] possible.
[illegible] material within
[illegible] be actually
[illegible] fault itself then
[illegible] was a post thrust
[illegible] always thought
[illegible] and still do.

[illegible] these two holes,
[illegible] gold, and [illegible] the interval
[illegible] instead of [illegible] [illegible] 5.1 oz. silver, ?
[illegible] interval 556.0-565.2' [illegible] oz. gold, and 1.65 oz.

[illegible] trying to correl[illegible] silver veins is a bit
[illegible] only one [illegible] attempt to
[illegible] than a 50' [illegible] drill [illegible] correlating
[illegible] speculative. I don't [illegible] miners could correlate
[illegible] from level to level (50 [illegible]), accepting the "77".

[illegible] think the 972-950.6' interval [illegible] represents the "77"
[illegible] beyond that I hesitate to speculate.

[illegible] would be futile to try and [illegible] 4B, as there was
[illegible] the hole. [illegible] drilling 4A to the
[illegible] off-section [illegible] by 100 feet.
[illegible] based on [illegible] and [illegible] hole.

Sincerely,

[illegible] Materials Corp.

(S) G. L. Brooke

G. L. Brooke
Geologist

RECEIVED
R & D
[illegible]

One

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 28, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1967
INITIALS | CODE
120 AK
JCJ 110
HR 120K

AIRMAIL

Mr. G. L. Brooke, Geologist
Continental Quicksilver, Inc.
820 S. Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: GMS-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Brooke:

Thank you for your letter of February 1, 1967, with the enclosed maps and sections. They have been most helpful in clarifying for me the results of the drilling completed to date. However, section 7 in the plane of hole 4B is still not completely clear.

As prepared, it seems that section 7 shows hole 4B as being collared at the originally designated drill site located approximately 375 feet N. 60° E. of the "center line." According to both maps, to our discussion in Jordan Valley on September 9, 1966, and to a Work Authorization dated October 3, 1966, hole 4B should be shown on section 7 about 110 feet farther to the right of the center line; the projection of "77" vein to the section places the vein 915 feet to the right of the center line (5,300-foot altitude), agreeing with its projected position on both maps.

There is enclosed a correct(?) section 7. The center line, surface profile, 5,300 altitude line, and the projection of "77" vein have been traced from your section; the levels were drawn at the altitudes given by Piper and Laney; the collar of hole 4B was plotted 485 feet to the right of the center line; and the intercepts of faults and a mineralized section of the hole were then traced from the ones shown on your section after sliding the tracing to the left so that the apparently correct collar location and trace of the hole coincided with the collar and trace of hole on your section. I mention this because, if my correction(?) is proper, it has an important bearing upon the location and inclination of hole 4A.

A review of your core logs and assay returns, reference to Pipe and Laney's Plates X, XI, and XII, and the plates and sections that

accompanied your February 1 letter has been made. Although the time available for this which was frequently interrupted, has perhaps resulted in my overlooking some features, I submit for your consideration and comments the results achieved to date as I see them and suggestions for possible future drilling.

In order that my comments may be followed by our Washington, D. C., staff I will send them the up-dated maps and sections and request that you send me another set for my use here. If my section 7 is indeed correct, you need not include another print of it.

Hole 5.--If I rightly assume that the Black and Deason assay report dated July 7, 1966, contains assays of samples of seven core intervals from hole 5, these along with your core log certainly support the statement in your May Narrative Report that the Summercamp Vein System was not encountered. If you wish to drill another hole in this area, please submit your justification for location, bearing, inclination and depth of any hole you may propose. Only then can I give you some idea as to whether it would be acceptable for Government participation. I have not analyzed this area sufficiently to make any suggestions relative to another hole.

Hole 1B.--Two samples between hole depths of 556.8-558 have an average grade of 0.005 ounce gold and 10.3 ounces silver per ton.

From your drill log and section 4, this core segment is below the No. 8 level and below the hanging wall of the DeLamar fault, which probably accounts for Piper and Laney not showing it on their Plate XI. Plate XI does show the Hamilton FW vein and the "77" vein as being exposed in No. 8 level workings; the former would be approximately 720 feet to the right of the center line on section 7, the latter would be about 640 feet to the right. The vein you indicate as "77" below the footwall of the DeLamar fault projects to its location on No. 8 level within the fault zone and is about 80 feet to the left of the Hamilton FW vein on that level.

According to Piper and Laney the DeLamar fault has thrust movement with a fairly large lateral component which admittedly makes it difficult to be sure of the correlations of veins above, in, and below the fault zone. However, I cannot help wondering if your "77" vein on section 4 may not actually be an offset segment of the Hamilton FW vein. If so, then the offset segment of the "77" vein could be just to the left of the drill hole where it crosses the footwall of the DeLamar fault, and the vein(?) between 556.8-558 feet could be one of several veins shown on Plate XI as being above the "77" vein on No. 8 level.

If you concur with this possible interpretation, what would you think of moving the collar of hole 1A, say approximately 90 feet S. 60° W. from hole 1B and drilling the hole parallel to 1B? This should give a second intersection of the 556.8-558 vein just above the DeLamar footwall, and your "77" vein just above the lowermost fault; also, it might pick up the possible offset segment of the No. 8 level "77" vein below the DeLamar fault zone.

The one thing I am not sure of is whether the lateral movement along the DeLamar fault might result, in the planes of the sections, in an apparent normal displacement of the intersected veins. You have doubtless given this possibility some consideration and study and your conclusions will certainly be accepted without further question.

Holes 3A and 3B.--From hole 3A two samples at 848-850 feet and 850-852 feet reported for August indicate a 4-foot core segment averaging 0.0175 ounce gold and 16.0 ounces silver per ton. Using the check assay of 850-852, the 4-foot segment averages 0.007 ounce gold and 15.69 ounces silver per ton. The average value of a sample and check sample at 858.6-859.6 feet shows a 1-foot segment averaging 0.005 ounce gold and 5.3 ounces silver per ton. The average of another 1-foot sample and check sample at 921.1-922.1 feet is 0.005 ounce gold and 9.09 ounces silver per ton.

From hole 3B nine samples in the "77" vein zone each assayed only Tr gold and Tr silver per ton; no other assays indicated anything much better.

Hole 4B.--In the interval 952-959.6 assays of five samples indicate an average value of 0.14 ounce gold and 5.6 ounces silver per ton. Within this interval two samples from 952-956.8 have an average grade of 0.18 ounce gold and 4.82 ounces silver per ton, and a third sample between 957.6-959.6 indicates a 2-foot core segment with a grade of 0.11 ounce gold and 13.9 ounces silver per ton.

The validity of projecting veins on the basis of sample assays may be a bit tenuous, but is it not more likely that the 848-852 segment of hole 3A and the 952-959.6 segment of hole 4B represent the same vein than do the 921.1-922.1 segment of hole 3A and the 952-959.6 segment of hole 4B? Could this represent the "77" vein, or possibly the Hamilton FW vein? Possibly if holes 1A and 4A were drilled next a clearer picture would result.

Although hole 4B lacked 115-125 feet of crossing your projected location of the "77" vein, do you think that the 952-959.6 segment might possibly represent the "77" vein, or is it more apt to be one of the several veins possibly indicated by the 556.8-558 segment of hole 1B, or the vein indicated by the 848-852 segment of hole 3A? Could these all be segments of the same vein? Which raises several questions that you have doubtless been considering.

1. Should hole 1A or 4A be drilled next? If so, from what location, at what inclination and to what depth?

2. Should hole 4A be collared about 110 feet S. 60° W. of hole 4B and drilled parallel to 4B to a depth of approximately 1,150 feet to cut the vein about 150 feet below segment 952-959.6? Or should it be drilled parallel to 4B to an approximate depth of 950 feet from a drill site about 200 feet N. 60° E. of 4B to explore for the same vein in the DeLamar fault zone and the "77" vein as projected below the DeLamar footwall?

3. Should an attempt be made to re-enter hole 4B and deepen it, say 115-125 feet?

I am sorry to be so long in getting this written, but several unavoidable interruptions ranging from a couple of days to a week kept cropping up. These breaks in continuity of thought and appraisal have to an extent made my attempted appraisal difficult. I would therefore greatly appreciate your comments when time permits.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

DRMacLaren/mls

cc: OME w/cps incoming letter
and new set of maps and
sections accompanying letter
MacLaren

Director's Reading File

PHONE

CONTINENTAL MATERIALS CORPORATION

[illegible] 1, 1967

[illegible] (Gold-Silver)
[illegible] Mine
[illegible] County, Idaho
[illegible] 214

[illegible] was [illegible] on my part. The
[illegible] were constructed [illegible] field, using one of
[illegible] revised hole loca[illegible] Therefore, I am sending
[illegible] and sections.

[illegible] I am reasonabl[illegible] of the location of the
[illegible] #13 and #14. I have [illegible] this vein onto the
[illegible] section. It would [illegible] we drilled the #4B
[illegible] could have obta[illegible] information. Infor-
[illegible] was drilled bef[illegible]

[illegible] future inter-
[illegible] The rex[illegible] drilled from the
[illegible] in this section.

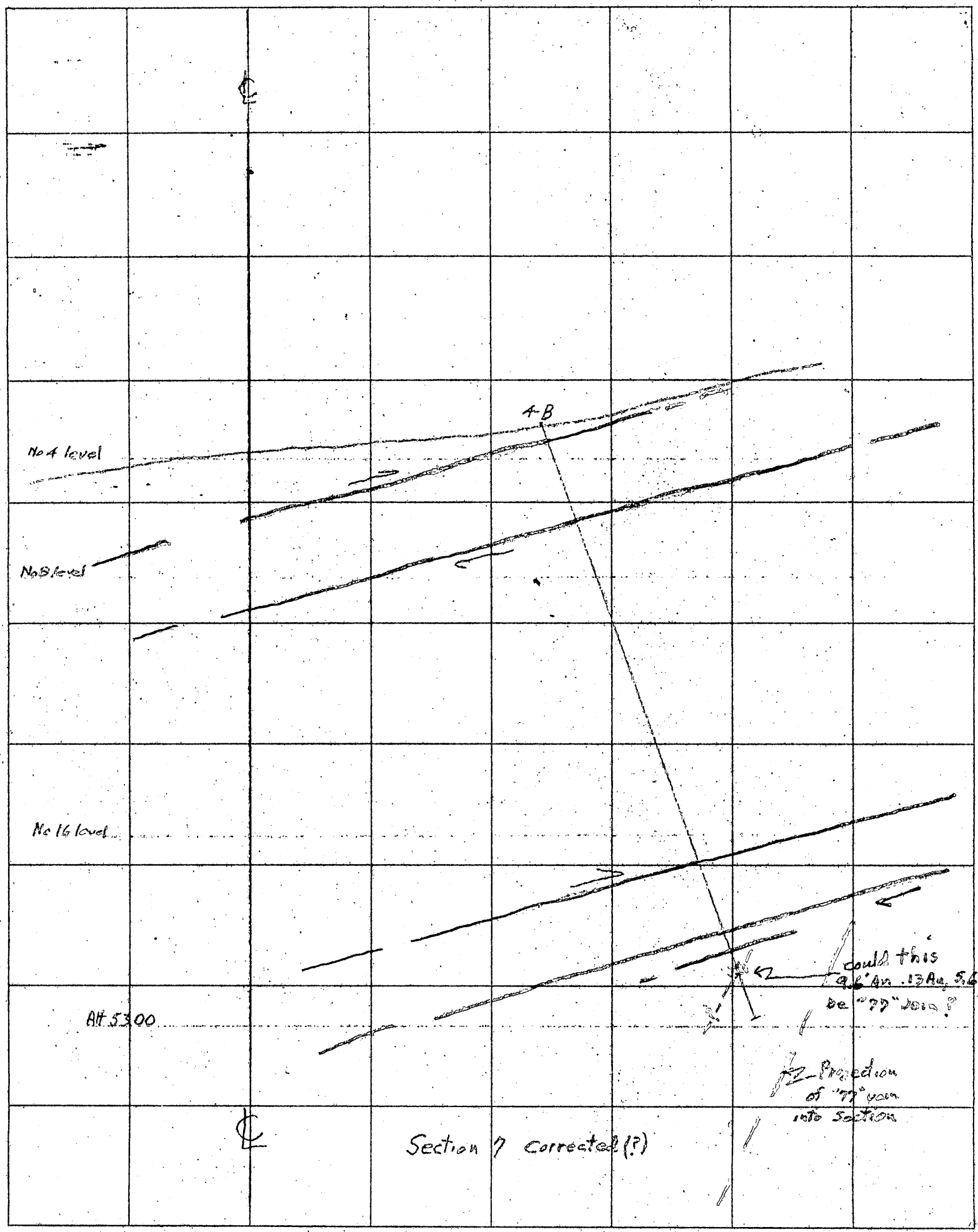
[illegible]

Sincerely,

[illegible]

[illegible]

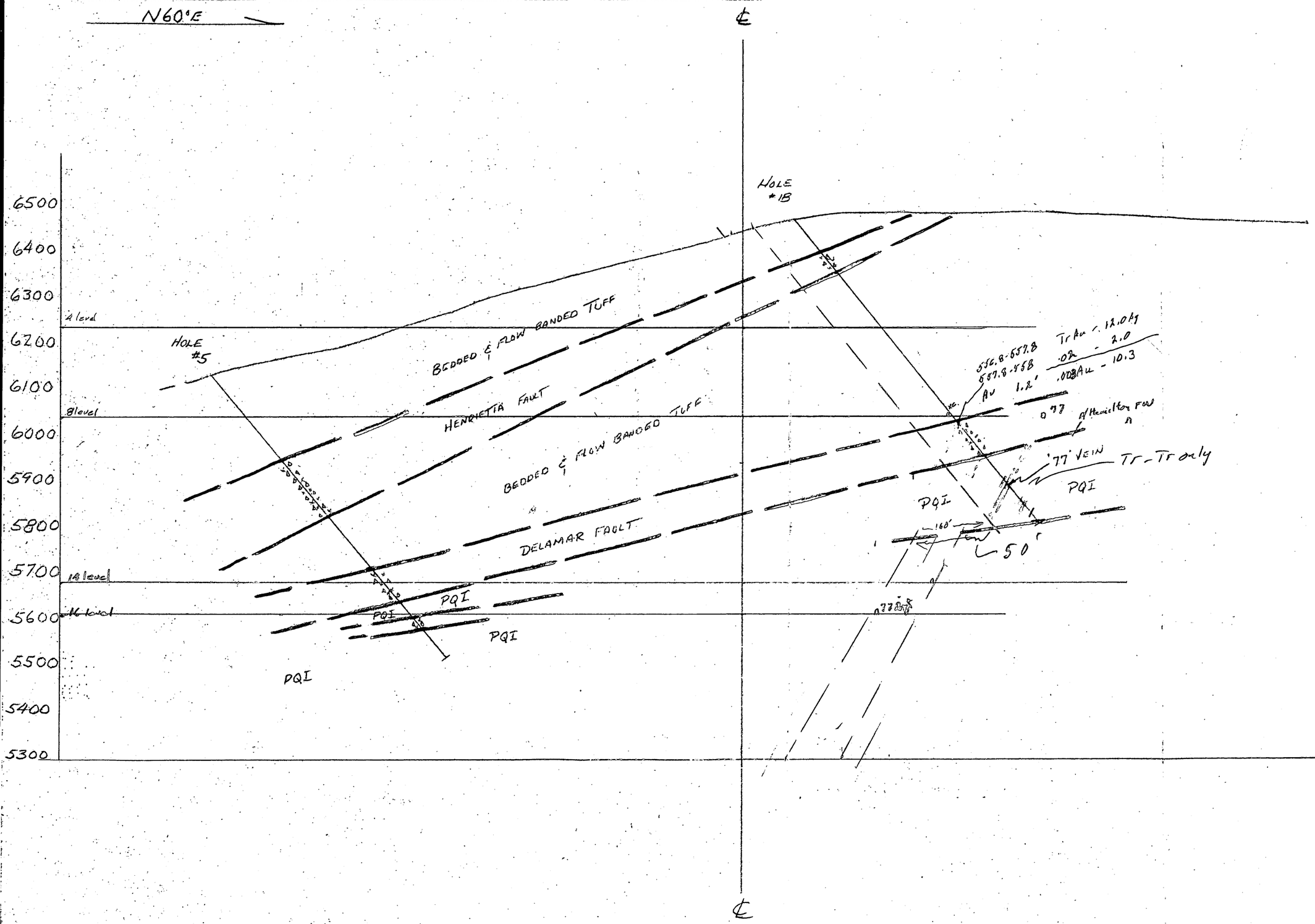
[illegible] Mail



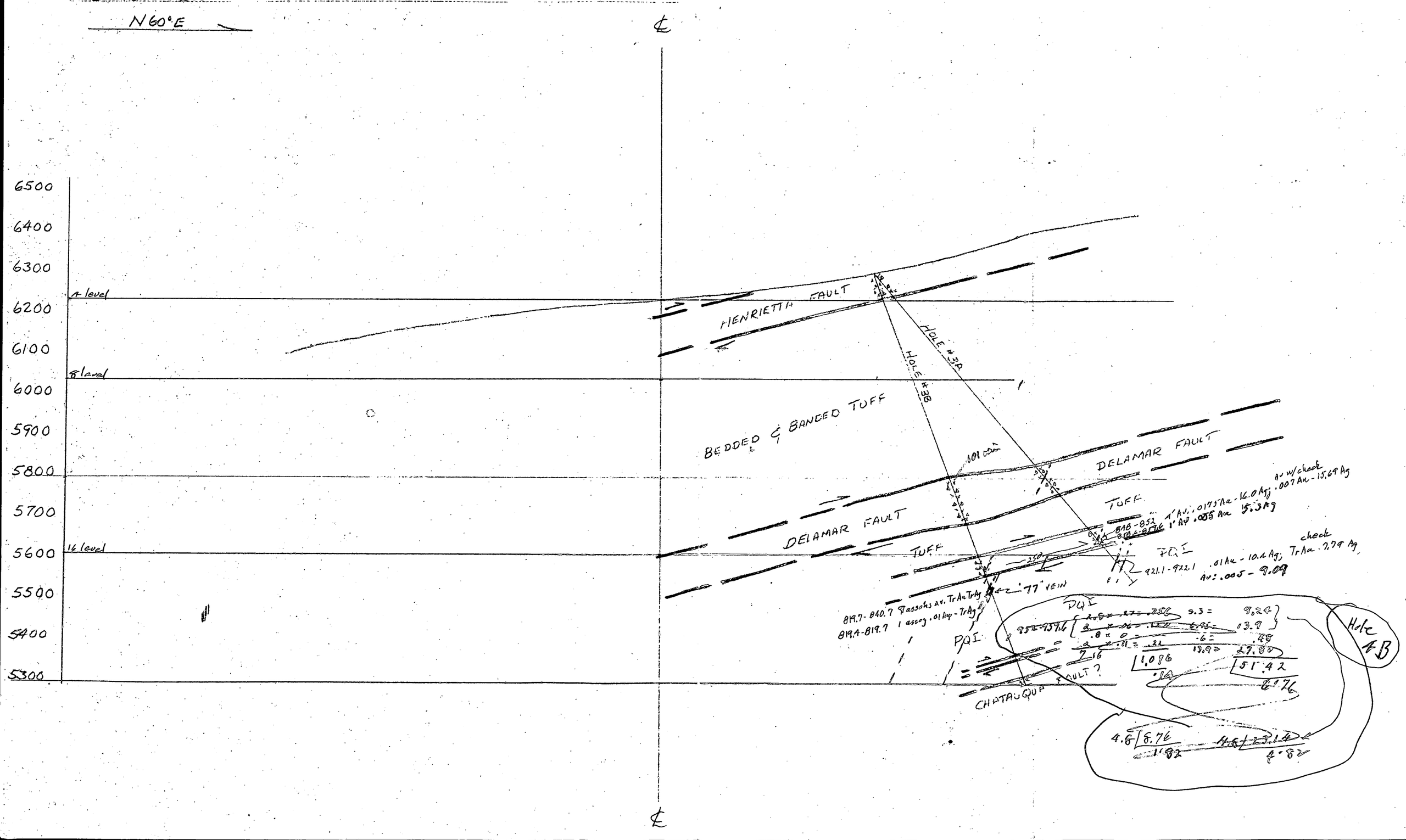
J. A. Gendron Co., Spokane
K+E ALBANENE 195M TRACING PAPER 62943

BY GLB DATE SUBJECT SECTION 4 DELAMAR SHEET NO. OF
CHKD. BY DATE GEOLOGY, OWYHEE CO. IDAHO JOB NO.

Scale: 1" = 200'



BY GLB DATE SUBJECT SECTION 6, DELAMAR GEOLOGY, OWYHEE CO., IDAHO SHEET NO. OF
CHKD. BY DATE JOB NO.
Scale: 1" = 200'



℄

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: **Continental Quicksilver Inc.**
820 So. Ninth, P. O. Box 190
Grand Junction, Colo.

Amount Claimed:	Differences (Explained Below)	Amount Approved
7,153.20	**$523.90**	**6,629.30** **4,143.31 Govt. Share**
Bu. Voucher No.	Payee's Invoice No. **OME # 6455** **Contract # 2214**	Period **May, 1966**

EXPLANATION

Dozing, Amount Claimed	**$320.00**	
Allowed, 20 hrs at $14.00	**280.00**	
Disallowed		**$40.00**
Overburden, amount claimed	**325.00**	
Allowed, 26 Ft. at $7.35	**191.10**	
Disallowed		**133.90**
Mobilization, amount claimed	**700.00**	
Allowed, 1 unit mobilized	**350.00**	
Disallowed		**350.00**
Total Disallowed		**523.90**

Note: these disallowances made in line with our Field Officers notations, and in line with invoices you submitted indicating charges made by your contractor, and one unit mobilized only.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

E. Gibson

Branch of Budget and Finance

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: **Continental Quicksilver, Inc.**
820. S. Ninth St., P.O.Box 190,
Grand Junction, Colo.

Amount Claimed:	Differences (Explained Below)	Amount Approved
x$58,$5,305.30	**$5.00**	**$5,300.30** **$3,312.69 Govt. Share**
Bu. Voucher No.	Payee's Invoice No. **OMR # 6455** **Contract # 2214**	Period **July, 1966**

EXPLANATION

Coreboxes **$5.00**

Field officer indicates no more core boxes will be approved until operator accounts for the ones actually used.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

E. Gibson
Branch of Budget and Finance

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: **Continental Quicksilver, Inc.**
820 So. 9th St. Box 190
Grand Junction, Colorado 81502

Amount Claimed:	Differences (Explained Below)	Amount Approved
$5,445.35	**$4,814.75**	**$630.60** **$394.13 Govt. Partiipation**
Bu. Voucher No.	Payee's Invoice No. **Docket # 6455** **Contract # 2214**	Period **OCTOBER 1966**

EXPLANATION

$4,814.75 Disallowed per Field Officers information that Hole 3-B has not been completed as yet. This disallowance may be reclaimed when hole finished.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

B. E. McFarlane

Branch of Budget and Finance

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Continental Quicksilver, Inc.
820 S. 9th Street Box 190
Grand Junction, Colorado
81502

Amount Claimed	Differences (Explained Below)	Amount Approved
$3,510.95	$30.25	$3,480.70 $2,175.44 Govt. Participat -200.00 Withheld $1,975.44
Bur. Voucher No.	Payee's Invoice No.	Period
	Docket # 6455 Contract # 2214	November 1966

EXPLANATION

$30.25 11 assays disallowed are from other than drill core sludge samples.

$200.00 withheld, per field officer, pending resumption of work.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

B. E. McFarlane
Branch of Budget and Finance

MME FORM 60
SEPT. 1959

RECEIVED
JAN 27 1967
O.M.E.
SPOKANE, WASH.

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1967
INITIAL CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
SUPPLEMENTAL

OPERATOR'S MONTHLY VOUCHER

For Month of November 1966

Docket No. OME-6455
Contract No. 14-23-090-2214
Contract Amount $ 61,360.00
Gov't. Participation % 62½ $ 38,350.00
Mineral(s) Gold-Silver

Operator's Name Continental Quicksilver, Inc.
Address 820 S. 9th St. P.O. Box 190, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	-	$ 280.00	$ 280.00			
Drifting xx Mobilization	350.00	350.00	700.00			
Crosscutting						
Drilling Dia. Core	7,176.65	25,410.00	32,586.65	4380.90		
Overburden	-	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	377.65	1,271.90	1,649.55	245.35		
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber Supplies	150.90	930.90	1,081.80	80.50		
Explosives Core Boxes	15.00	242.80	257.80			
Pipe Casing	138.00	822.00	960.00	108.00		
Rail Cementing	-	960.00	960.00			
Surveying	24.00	84.00	108.00			
Assays	63.25	209.00	272.25			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	8,295.45	30,751.70	39,047.15	4814.75		

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

Date Jan. 24, 1967 *Payee Continental Quicksilver, Inc.

Per C. L. Reynolds Title Gen. Supt.

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 3,225.88 14X0804

Signature John
(Authorized Certifying Officer)

Date FEB 15 1967 Vou. No. 6260

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature [illegible] Title Field Officer, Region I Date JAN 30 1967

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Field Officer, Region I Date JAN 30 1967

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

MME FORM 61
SEPT. 1959

RECEIVED
JAN 27 1967
O.M.E.

HK 2/2/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

SUPPLEMENTAL

OPERATOR'S ~~PROGRESS~~ REPORT For Month of November 1966 Docket No. OME-6455

Operator's Name Continental Quicksilver, Inc. Contract No. 14-23-090- 2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Bulldozing	Hrs	-	20	280.00	—	20	280.00
Mobilization	Job	1	2	700.00	1	2	700.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft	1079	4713	32,586.65	1079 [11]	4713 [11]	32,586.65 [11]
Rotary							
Drilling, Non-core-Diamond							
Overburden Rotary	Ft	-	26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Supplies		150.90	1081.80	1,081.80	$ 150.90 [11]	$ 1,081.80 [11]	1,081.80 [11]
Core boxes	Ea	15	378	257.80	15	340 [12]	257.80 [12]
Casing	Hrs	11.5	80	960.00	11.5 [11]	80 [11]	960.00 [11]
Cementing	Hrs	-	80	960.00	—	80	960.00
Surveying	Hrs	2	9	108.00	2	9	108.00
Incidental		1079	4713	1,649.55	1079 [11]	4713 [11]	1,649.55 [11]
Assays	Ea	23	99	272.25	23 [13]	99	272.25
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				39,047.15			39,047.15 [4]

REMARKS

This is for reinstatement of $4,814.75 for hole 3-B deleted from October ~~1966~~ 1966 voucher. (Administrative Suspension Statements have never accompanied ~~our~~ the checks we received).

(Continue on back)

REMARKS [11] includes units + costs for Nov. plus reclaim for items disallowed by Note [11] Oct. MME-61

[12] See note [12] Original Nov. MME-61

[13] Corrected by operator to delete claim for 11 assays disallowed on Original Nov. MME-61

(Continue on back) OVER

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

Date Jan. 24, 1967 Operator Continental Quicksilver, Inc.

Per C. D. Reynolds Title Gen. Supt.

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

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

Signature D. R. Wackerson

Field Officer, Region II

Title Government Representative

Date JAN 30 1967

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

[4] Continue to withhold $200 — see note [5] original Nov. MME-61 and Admin. Suspens. Statement for Nov. 1966 of which Operator received no copy with Nov. print. check

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

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Mackenna noted that 66% of 4814.75 is $3009.22 + 216.66 = 3225.88

Name and Address of Payee: Contiental Quicksilver, Inc.
820 S. 9th St., P.O. Box 190
Grand Junction, Colorado 81502

Amount Claimed:	Differences (Explained Below)	Amount Approved
$8,295.45	$3,480.70	$4,814.75 $3,225.88 Govt. Participation 66.97%
Bu. Voucher No.	Payee's Invoice No. OMB # - 6455 Cont. # - 2214	Period Supplemental November 66

EXPLANATION

Total Claimed: Supplemental Nov. voucher dated Jan. 24, 67	8,295.45
Less: Previously claimed & allowed Nov. voucher dated Dec. 15, 66	3,480.70
Approved amount	4,814.75

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAlister
Branch of Budget and Finance

MME FORM 6
REV. 2

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

	DATE	INITIALS
1.	1/23/67	
2.		
3.		
4.		
5.		

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc
DeLamar Mine
Owyhee County, Idaho
Contract 2214

D. R. MacLaren

FROM: Fld. Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 25 1967

INITIALS	CODE
	120
	110
HK	120

FOR: Check items for action desired

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

REMARKS:

Transmittal of Gov't. and Budget and Finance Copies of Amendment No. 2.

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

M56300-62

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/6/67	Kirkemo	120
		110
2/6	cal	220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: Administrative Suspension Statements
OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Upon receipt of your memorandum dated January 19, 1967, pertaining to the Suspension Statements for Continental Quicksilver, we inquired into the procedure followed in distributing these statements, and found that this and perhaps other operators as well had not received them recently.

Inasmuch as Continental Quicksilver has not received any of the Suspension Statements in question, we are sending to the Operator a copy of statements for May, July, October, and November 1966. We have sent to Budget and Finance the Operator's supplemental voucher for November 1966 with the copies of the Suspension Statements on hand here. The Operator will not be asked to send his copy of the statements to Budget and Finance.

If you know that other operators likewise have not received suspension statements in the past year, please send us a list of them and we will prepare copies as we have done for the Continental Quicksilver contract.

A copy of this memorandum to each Field Officer will instruct them to do likewise if they have a similar situation.

The original copy of Administrative Suspension Statements prepared in the future will accompany checks sent to the operators. This is the established policy which unfortunately became temporarily sidetracked.

We regret this inconvenience to you and to the operators involved.

FRANK E. JOHNSON

Frank E. Johnson

Copies to: Field Officer, Region II
Field Officer, Region III

cc: Director's Reading File
Division File
Economic Geology File
Budget and Finance, Rm. 5417
OME-6455 file
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 2-6-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/6/67	Kirkemo	120
		110
		220
		120M

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are the original and two copies of the Supplemental voucher (MME Forms 60 and 61) for November 1966 submitted by the subject Operator wherein claim is made for reclaimable items that were previously disallowed. The Administrative Suspension Statements for May, July, October, and November 1966 were not received by the Operator. We are attaching a copy of each of these to the original copy of the supplemental voucher because the Operator did not have a copy to submit with the voucher.

The voucher has been certified by the Field Officer and reviewed by us. We recommend acceptance of the total claimed for reimbursement less $200.00 pending resumption of work on the project by the end of the authorized recess period as noted by the Field Officer in Footnote 4 under Remarks on MME Form 61.

FRANK E. JOHNSON

Frank E. Johnson

Copy to: Field Officer, Region I

cc: Director's Reading File ✓
Division File
Economic Geology File
OME File
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 2-6-67

23263

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/6/67	Kirkemo	120
		110
		220
		120M

AIRMAIL

Continental Quicksilver, Inc.
820 Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Enclosed are copies of Administrative Suspension Statements for May, July, October, and November 1966. The original copies of these should have accompanied the checks issued to you for those months but inadvertently were not sent.

We will attach copies of these Suspension Statements to your supplemental voucher for November 1966, and the voucher will be processed for payment. You may retain the enclosed copies for your files.

We regret the inconvenience to you caused by the failure to send the Suspension Statements with the checks and assure you that we hope it doesn't occur again.

Sincerely yours,

FRANK E JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 2-6-67

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 30, 1967

OFFICIAL COPY
O. M. E.
FEB
INITIAL
FEB 110
HK 124

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region II

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are the original and two copies of Supplemental MME Forms 60 and 61 for November 1966, which our letter of January 17, 1966, advised the Office Manager to submit. See also our memorandum of January 19, 1967, to you. Supporting documents accompanied original November MME Forms 60 and 61.

On the enclosed MME Forms 61 the Operator states under "Remarks" "Administrative Suspension Statements have never accompanied the checks we received." The Operator's word "never" in this statement startled me as there are carbon copies of four such statements in our voucher file: for May, July, October, and November. It occurred to me that possibly he did not understand to what I was referring in my letter advising him that the original of the Statement should accompany his Supplemental November forms. Accordingly, I called his office accountant who said there had never been anything other than a check in the monthly reimbursements they had received. I asked if they did not know why $523.90 had been disallowed from the May voucher and $5.00 from the one for July. His reply was to the effect: "Not apecifically but we figured it out pretty closely."

It is difficult to accept as probable that four statements to the same Operator were not sent out, but at least the letter of January 13, 1967, from Min. R. Gray, Office Manager for the Operator, strongly suggests that the ones for October and November were not received.

D. R. MacLaren

D. R. MacLaren

Enclosures

PHONE

CONTINENTAL MATERIALS CORPORATION

[redacted]

January 24, 1967

[illegible] Maclaren
[illegible], OMF
Department of Interior
[illegible] of Mineral Exploration
[illegible] Howard Street
[illegible], Washington 99204

Re: OMF [illegible] (Fold-Silver)
[illegible] Mine
[illegible] County, Idaho
[illegible]

[illegible] Maclaren:

Thank you for your explanation of the computation of the Government's participation with respect to our October and November, 1966 vouchers, and for the sample copies of the supplemental forms to be filed.

We enclose the original and three copies of the Supplemental Progress Report and Voucher for November. We have never received an Administrative Suspension Statement with any of the Government payments received.

Sincerely,

CONTINENTAL [illegible]SILVER, INC.

Vern R. Gra[illegible]
Office Manager

VRG:lh

Enc.

RECEIVED
JAN 27 1967
U.M.E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 19, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 23 1967
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are two copies of a self-explanatory letter dated January 13, 1967, from the subject Operator and my reply, based on a telephone discussion with Harold Kirkemo.

There is nothing wrong with the payment for October which is explained in the Administrative Suspension Statement.

In making the November payment, the amount shown on the Suspension Statement is the amount the Operator claimed for November work, but apparently my footnote 1/ on the Progress Report stating that the $4,814.75 suspended in October was reinstated was overlooked. In his November voucher the Operator in fact included the suspended items in his "Costs to Date" figures, but did not increase his "Monthly Total" nor decrease his "Previously Reported" amounts for Diamond Core Drilling, Incidental Allowance, Supplies, and Casing to conform with the October disallowances, nor did he include the original of the October Suspension Statement. Actually, he did reclaim the October disallowances in November and had he enclosed the appropriate Suspension Statement, would seem to have fulfilled the requirements for reinstatement.

I would not presume to question the methods used by a trained accountant, but I cannot help wondering why the Field Officer's deletions are accepted, but his reinstatement of prior deletions are not. There have been many similar cases in the past, albeit involving smaller amounts, in which this situation has presented no problem. Possibly, this was an oversight.

In order to keep a running record of vouchers and payments for ready reference when Operators ask why they have not received payment for some voucher (usually their most recent one), I have

evolved a sheet based, not on the Operator's claim, but rather on the Field Officer's approved costs. Enclosed is a copy of my record for this Operator.

You will note that, according to my computations, the Operator was apparently overpaid $11.19 for August and was underpaid $9.87 for September, leaving an apparent net overpayment of $1.32 through September. This amount is so small I suggest it await the Report of Review for possible correction. I mention it here to complete the picture.

You will also note that by basing my running record on the "Approved Costs," rather than on the "Claimed Costs," I end up with a November "Approved Cost this Month" of $8,295.45 which equals the $3,510.95 shown as the Operator's claimed cost for November plus the $4,814.75 temporarily disallowed for October, less $30.25 permanently disallowed for November.

D. R. MacLaren

D. R. MacLaren

Enclosures

Ome (2)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 17, 1966

Air Mail

Continental Quicksilver, Inc.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Attention: Vin. R. Gray
Office Mgr.

Re: OME-6455 (Gold-Silver)
Delamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

I have talked with our Washington, D. C. office relative to your letter of January 13, 1967, in which you request clarification regarding the computation of the Government's participation in the exploration costs claimed in your vouchers for October and November 1966.

A point I had overlooked while processing your vouchers from May through September 1966 is the provision set forth in Exhibit A, page 2, fifth paragraph which states: "The Government will not participate in the costs incurred for incomplete drill holes." This was called to my attention in October and for that reason costs claimed for hole 3-B, which was not completed when your October voucher was prepared, were deleted.

The Administrative Suspension Statement which accompanied the check for the Government's participation for October indicates the cost of the deleted drilling chargeable to hole 3-B as shown on the driller's invoice for October and states that it may be reclaimed when the hole is finished.

Your November voucher was forwarded with a notation under "Remarks" that the items claimed for hole 3-B but deleted in October were reinstated. This was apparently overlooked when the November voucher was finally processed.

You should now file a supplemental progress report and voucher (MMM Forms 60 and 61) for November, reclaiming the October disallowances. For this purpose a set of these forms is enclosed.

The items, deleted from the October voucher but reclaimable in November, are:

240' plug bit drilling at $5.00/ft	$1,200.00
461' NX drilling at $6.90/ft	3,180.90
Supplies	80.90
9 hrs casing at $12.00/hr	108.00
701' incidental allowance at $0.35/ft	245.35
	$4,814.75

To clarify what is required, there is enclosed a sample copy of each of the NMH Forms 60 and 61, on which I have penciled in the items as I understand they should appear. My accuracy is of course subject to final audit at the end of the project. You will note that the entries agree with those on the voucher you have already submitted, except for the items listed above which total the items reclaimed with those already claimed in your prior November voucher. Also, you will note I have entered for total units to date on NMH Form 61 after "Drilling" and after "Incidental" 6 feet less than you show. The driller's invoice for July shows hole 3-A was drilled to a depth of 396 feet and his invoice for August shows drilling in this hole started at 390 feet--hence the 6-foot difference.

Finally, I have reduced your prior claim for 34 sample assays to 23 as explained in the Administrative Suspension Statement for November. The original and three copies of the Supplemental November Progress Report and the Voucher should be submitted along with the original Administrative Suspension Sheet for the period--October 1966.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren/mls

cc: OME(2) w/cpys incoming
MacLaren
Voucher File

Director's Reading File

PHONE: 0 [illegible]

CONTINENTAL MATERIALS CORPORATION

[illegible] SIXTH STREET [illegible] BOX 190 GRAND JUNCTION [illegible]

January 13, 1967

Mr. MacLaren
[illegible] Department of Interior
Office of Minerals Exploration
South [illegible] Howard Street
Spokane, Washington 99204

Re: OMF-6455 Gold-Silver
DeLamar Mine
Contract 2214

Dear Mr. MacLaren:

Our monthly voucher for October was in amount of $5445.35, and that for the month of November was $3510.95. The government participation of 62½% is $3403.34 and $2194.34, respectively.

In December we received a check in amount of $394.13 and today received one for $1975.44.

Would you please explain how these amounts were calculated and why they differ from the government participation as stated above.

Sincerely,

CONTINENTAL GOLD-SILVER, INC.

Vin. [illegible]
Office Mgr

RECEIVED
JAN 16 1967
SPOKANE [illegible]

Cont. Quick.

Month	Claimed to date	Approved to date	Approved this month	62½% approved	Paid	(Month) Date	+ / −
May 66	7,153.20	6629.30	6629.30	4,143.31	4,143.31	July 66	—
June "	12,112.75	12,112.75	5,483.45	3,427.16	3,427.16	Aug "	—
July "	19,418.05	17,413.05	5,300.30	3,312.69	3,312.69	Sept "	—
Aug "	23,494.00	23,477.05	6,064.00	3,790.00	3,801.19	Oct "	+ 11.19
Sept "	30,123.20	30,121.10	6,644.05	4,152.53	4,142.66	Nov "	− 9.87
Oct "	35,568.55	30,751.70	630.60	394.13	394.13	Dec "	—
Nov "	39,079.50	39,047.15	8,295.45	5,184.66	1,975.44	Jan 67	− 3,009.22 − 200.00 withheld pending resolution of work

PHONE Me

CONTINENTAL MATERIALS CORPORATION

ORIGINAL
COPY

[illegible] 10, 1967

JAN [illegible]

INTERIOR COOL

[illegible] Interior
[illegible] Federal[illegible]

[illegible] Street
[illegible]

[illegible] Silver[illegible]

[illegible] Idaho
[illegible]

[illegible] Gentlemen:

[illegible] copies of [illegible] been
[illegible] on behalf [illegible] Silver,
[illegible] herewith

[illegible] attention to [illegible]

Very tr[illegible]

CONTINENTAL [illegible] INC.

Wm. R. [illegible]
Office Manager

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 17, 1967

OFFICIAL COPY
O. M. & R.
RECEIVED
JAN 20 1967

120 M
~~110~~
120 K

Air Mail

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Enclosed are the original and three copies of a proposed Amendment No. 2 (one page), signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MISmelser/mls

cc: OME
Voucher File
MacLaren

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/5/67	Kirkemo	
"	Johnson	
1/6	Meyer	
1/10	Coe	210
		120 M

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are the original and three copies of proposed Amendment No. 2 (one page), signed for the Government. An extra copy is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130

MMerrithew/mm (1/5/67)

23263

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol., MR, Rm. 6554~~ ~~Through Room 6042~~		
2. Mr. Kirkemo, Rm. 4459		
3.		
4.		
5.		
FROM: Chief, OME		

RECEIVED
DEC 27 1966
Division of Mineral Resources
and Genenral Legal Services

FOR: Check items for action desired

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

REMARKS: B-66-2018.11

INTERIOR DEPT.
DEC 27 1966

FROM SOLICITOR

JAN 4 1967 SOLICITOR

FOR SIGNATURE

INT.-DUP. SEC., WASH., D.C. M56300-62

~~120~~ HK

~~110~~ KJ

120M

DRAFT 12/23/66
HKirkemo/gla

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

AMENDMENT NO. 2

It is agreed this _____ day of _____, 19__, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Continental Quicksilver, Inc., hereinafter called the "Operator," that Exploration Contract 2214 (OME-6455), dated February 28, 1966, as amended, is amended further effective December 1, 1966, as follows:

1. (a) Drilling under the contract may be suspended during the period beginning December 1, 1966, and ending not later than June 1, 1967.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by Article 1 of the contract for completion of the work is extended from eighteen (18) to twenty-four (24) months from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, ~~nor~~ the amount of any item designated as a maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

CONTINENTAL QUICKSILVER, INC.

By_____

Title_____

FORM 6 NCE SLIP

OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	12/21/66	
Re: OME-6455 (Gold-Silver)		
2. Continental Quicksilver, Inc.		
Delamar Mine		
3. Owyhee County, Idaho		
Contract 2214		
4.		
5. M. L. Smelser for		
FROM: D. R. MacLaren, Fld. Officer,	Reg.	

COPY

RECEIVED

DEC 23 1966

INITIALS CODE

FOR: Check items for action desired

X Action ___ Reply for signature of

___ Approval ___ Investigate ___ Surname

___ Comment ___ Recommendations ___ Signature

___ Conference ___ Rewrite ___ File

___ Instructions ___ Your information

REMARKS: Transmittal of Monthly Voucher, Progress Report, Narrative, Logs, Assay Certificate, and other documentation for November 1966.

12/23/66

P. SEC., WASH., D.C. M56300-62

MME FORM 60
SEPT. 1959

RECEIVED
DEC 19, 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY

Docket No. OME-0455
Contract No. 14-23-0001 2214
Contract Amount $ 61,360.00
Gov't. Participation 62% $ 38,350.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of November 1966

Operator's Name Continental Quicksilver, Inc.
Address 820 S. 9th St., Box 190, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	-	$ 280.00	$ 280.00			
Drifting Mobilization	350.00	350.00	700.00			
Crosscutting						
Drilling Dia. Core	2795.75	29,790.90	32,586.65			
Overburden	-	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	132.30	1,519.35	1,651.65			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber Supplies	70.40	1,011.40	1,081.80			
Explosives Coreboxes	15.00	242.80	257.80			
Pipe Casing	30.00	930.00	960.00			
Rail Cementing	-	960.00	960.00			
Surveying	24.00	84.00	108.00			
Assays	93.50	209.00	302.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3510.95	35,568.55	39,079.50			

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

Date Dec. 15, 1966 *Payee Continental Quicksilver, Inc.

Per C. J. Reynolds Title Gen. Supt.

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

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

(INSTRUCTIONS ON REVERSE)

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

2,175.44 14X0804
200.00 14X6875
$ 1,975.44

Signature BEM
(Authorized Certifying Officer)

Date JAN 6 1967 Vou. No. 5314

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature D.R. MacKaren Title Field Officer, Region I Date DEC 21 1966

Approved by OME Executive Officer or Alternate:

Signature D.R. MacKaren Title Field Officer, Region I Date DEC 21 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

MME FORM 61
SEPT. 1959

RECEIVED
DEC 19, 1966

HR 12/29/66

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of **November 1966** Docket No. **GME-6455**

Operator's Name **Continental Quicksilver, Inc.** Contract No. 14-23-090- **2214**

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
~~Drilling~~ Bulldozing	Hrs	-	20	$ 280.00	—	20	280.00
~~Crosscutting~~ Mobilization				700.00	1	2	700.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft	378	4719	32,586.65	1079 [1]	4713	32,586.65
Rotary							
Drilling, Non-core-Diamond							
overburden Rotary	Ft	-	26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Supplies				1,081.80	$150.90 [1]	$1,081.80	1,081.80
Coreboxes	Ea	15	378	257.80	15	340 [12]	257.80 [12]
~~Drills~~ Casing	Hrs	2.5	80	960.00	11.5 [1]	80	960.00
Stripping Cementing	Hrs	-	80	960.00	—	80	960.00
Trenching Surveying	Hrs	2	9	108.00	2	9	108.00
Test Pitting Incidental	Ft	378	4719	1,651.65	1079 [1]	4713	1,649.55 [13]
Other Surface Work Assays	Ea	34	110	302.50	23 [12]	99	272.25
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				39,079.50			39,047.15 [15]

REMARKS

Drilling: 49' @ 6.90
250' @ 7.35
79' @ 7.85
Cementing and Casing each limited to 80 hrs maximum
Coreboxes: 23 wooden
355 cardboard (51 used on 3B)
378 total less 363 billed, 15 this period.

(Continue on back)

REMARKS [1] Reinstating items deleted in Oct - See note [1] Oct MME-61
[12] Invoices account for 23 wooden core boxes @ $3.50 and 350 cardboard boxes @ an average cost of $0.164/box. Sept MME-61 indicates 23 wood and 304 cardboard boxes had been used by that date. None were claimed for October. Claimed and accepted this
(Continue on back) (over)

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

Date **Dec. 15, 1966** Operator **Continental Quicksilver, Inc.**

Per C. N. Reynolds Title **Gen. Supt.**

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

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

Signature D. A. MacLaren

Title Field Officer, Region I
Government Representative

Date DEC 21 1966

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

12 Cont
month:
2 wooden boxes @ $3.50 = $7.00
13 cardboard @ @ 0.664 = 8.63
Total this month 15 — $15.63
Prior approved 325 $242.80
$258.43
∴ $257.80 claimed is accepted

13 4713 × $0.35 = $1649.55

14 11 assays claimed are from other than drill core or sludge samples

15 Withhold $200 from funds due Operator pending resumption of work — recess has been requested

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

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

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

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

RECEIVED
DEC 28 1987
10 30 AM '87
MINERALS MANAGEMENT SERVICE
4 5 7 8 7 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Continental Quicksilver, Inc.
820 S. 9th Street Box 190
Grand Junction, Colorado
81502

Amount Claimed:	Differences (Explained Below)	Amount Approved
$3,510.95	$30.25	$3,480.70 $2,175.44 Govt. Participat -200.00 Withheld $1,975.44
Bur. Voucher No.	Payee's Invoice No. Docket # 6455 Contract # 2214	Period November 1966

EXPLANATION

$30.25 ll assays disallowed are from other than drill core sludge samples. OK $2.00

$200.00 withheld, per field officer, pending resumption of work.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

B. E. McFarlane

Branch of Budget and Finance

JUSTICE CORE DRILLING CO.
Rt. 2, Wildwood St.
Boise, Idaho

Nov. 25, 1966

Continental Materials corp.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado

Billing on Delmar, Idaho drill job from the 1 st. of Nov. to Nov. 23, and end of hole # 3-B;

Core Drilling;	NX	701 to 750	@ 7.35 per ft.	360.15
		750 to 868	@ 7.90	932.20
	BX	868 to 1000	@ 7.35	970.20
		1000 to 1079	@ 7.85	620.15
Cement:Time;		29 hrs.	@ 12.00 per hr.	348.00
Casing Time;		36 hrs.	@ 12.00 per hr.	432.00
Surveying time:		2 hrs.	@ 12.00 per hr.	24.00
Drill mud;		17 sacks	@ 3.30	56.10
Cement		6 sacks	@ 2.00	12.00
Calcium Chloride		1 sack	@ 2.30	2.30
BX Casing lost;		220 ft.	@ 2.50 per ft.	550.00
One half Moblelization and Demoblelization:				700.00
			Total	$5007.10
				- 50.00
				4957.10

Will give credit for remaining core boxes; I don't know how manythat may be? What Jerry say's is good enough for me.

CONTINENTAL MATERIALS CORP.
GRAND JUNCTION

ACCOUNT	AMOUNT
425-01	4957.10

APPROVED BY CSK

Leonard S. Justice

Leonard S. Justice
Manager

okay LSJ

Date 12/5/66

Minerals Assay Laboratory

549 Noland Avenue -:- Grand Junction, Colorado

Phone 242-8021

NAME Continental Materials Corp. ADDRESS Box#190 Grand Jct.Colorado

LAB. NO.	SAMPLE RECEIVED 12/2/66 Afternoon	PERCENT URANIUM % U_3O_8	PERCENT VANADIUM % V_2O_5	OZ. GOLD PER TON	OZ. SILVER PER TON	PERCENT COPPER % Cu
1929	Cont.Tag#1147 12/2/66 Brooks			Trace	0.00	
1930	Cont.Tag#1148 12/2/66 Brooks			Trace	0.00	
1931	Cont.Tag#1149 12/2/66 Brooks			0.00	0.05	
1932	Cont.Tag#1150 12/2/66 Brooks			0.042	0.15	
1933	Cont.Tag#1151 12/2/66 Brooks			0.075	0.40	

TOTAL CHARGES $25.00 Invoice#11

R.E. Morris.

Date 12/5/66

Minerals Assay Laboratory

549 Noland Avenue -:- Grand Junction, Colorado

Phone 242-8021

NAME Continental Materials Corp. ADDRESS Box#190 Grand Jct.Colorado

LAB. NO.	SAMPLE RECEIVED 12/2/66 Afternoon	PERCENT URANIUM % U_3O_8	PERCENT VANADIUM % V_2O_5	OZ. GOLD PER TON	OZ. SILVER PER TON	PERCENT COPPER % Cu
1929	Cont.Tag#1147 12/2/66 Brooks			Trace	0.00	
1930	Cont.Tag#1148 12/2/66 Brooks			Trace	0.00	
1931	Cont.Tag#1149 12/2/66 Brooks			0.00	0.05	
1932	Cont.Tag#1150 12/2/66 Brooks			0.042	0.15	
1933	Cont.Tag#1151 12/2/66 Brooks			0.075	0.40	
	TOTAL CHARGES $25.00 Invoice#11		R.E. Morris.			

PHONE EM 3-7417

ASSAYERS AND CHEMISTS
229-231 SOUTH WEST TEMPLE STREET

P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH November 25, 1966

Continental Materials Corp.

WE HAVE ASSAYED YOUR twenty-nine SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
	1118	0.01	1.60	Web Foot Dump						35¢
	1119	0.06	2.35	Dump, Goldwater Disc.						$ 2.10
	1120	0.02	1.00	Shed dump						70¢
	1121	0.01	7.60	Chip along walls of prospect hole						35¢
	1122	0.03	0.75	Glory Hole Dump						$ 1.05
	1123	0.02	Trace	West Ridge Adit Dump						70¢
	1124	0.27	3.30	Hole #4B						$ 9.45
	1125	0.01	0.60							35¢
	1126	Trace	0.40	Hole #3B						
	1127	Trace	0.60							
	1128	Trace	0.40							
	1129	0.01	0.30							35¢
	1130	0.02	1.00							70¢
	1131	0.06	0.55							$ 2.10
	1132	0.03	0.55	West Ridge Adit, see map						$ 1.05
	1133	0.02	0.20							70¢
	1134	0.01	0.20							35¢
	1135	Trace	Trace							
	1136	0.01	Trace							35¢
	1137	Trace	Trace							
	1138	Trace	Trace	Hole #3B						
	1139	Trace	Trace							
	1140	Trace	Trace							
	1141	Trace	Trace							
	1142	Trace	Trace							
	1143	Trace	Trace							
	1144	Trace	Trace							
	1145	Trace	Trace							
	1146	Trace	Trace							

REMARKS:

CHARGES $ 87.00

CRISMON & NICHOLS

BY Crismon

12/1/66

NARRATIVE REPORT

November 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

The 3 B Drill Hole was completed to 1,079 feet on November 21st and drilling was discontinued until spring. The porphyry was encountered at 796 feet and a well defined vein cut from 819 to 841 feet. The hole was cased at 868 feet and continued to bottom with NX wireline.

The vein from 819 to 841 feet is thought to be the "77" vein; the first intersection of this vein in the last three holes. As you will note however, the assays are not encouraging.

The hole bottomed in the Chataugua(?) Fault. The complete log, assays and other data are enclosed. Two additional samples were cut from the 4B Hole.

Some further sampling of core and sludge will undoubtedly be carried on during the winter months.

A total of 67 NX core boxes were used in this hole, and 21 BX boxes.

Signed: C. H. Reynolds
C. H. Reynolds

RECEIVED
DEC 19, 1966

BY ..... DATE ..... SUBJECT ASSAYS – HOLE #4B SHEET NO. ..... OF .....

CHKD. BY ..... DATE ..... SPLIT CORE JOB NO. .....

SAMPLE No.	FROM	TO	FT	REC.	DESCRIPTION	Au	Ag
1048	763.2'	765.0'	1.8'	100%	Bx Tuff. H.W. Delamar F.	0.03	Tr.
1049	765.0'	766.8'	1.8'	100%	" " " " " "	0.04	0.95
1103	921.4'	924.0'	2.6'	86%	Fault Bx & Microbx. "Iron Dike"	0.04	0.25
1102	924.0'	926.5'	2.5'	92%	" " " " " "	0.02	0.20
1114	938.8	939.5	0.7	100%	PQI, with comb qtz.	Tr	Tr.
1100	939.5	941.0	1.5	"	" " " "	0.11	1.30
1101	941.0	942.5	1.5	"	" " " "	0.01	0.40
1151	950.3	952.0	1.7'	100%	PQI, sil, minor comb qtz.	0.075	0.40
1124	952.0	954.8	2.8	54%	PQI, sil, minor comb qtz.	0.27	3.30
1116	954.8	956.8	2.0	100%	PQI, sil, minor comb qtz	0.06	6.95
1115	956.8	957.6	0.8	38%	" " " " "	Tr	0.60
1104	957.6	959.6	2.0	100%	" " " " "	0.11	13.90
1117	959.6	961.6	2.0	"	" " " " "	0.08	1.10
1125	961.6	962.8	1.2	"	" " " " "	0.01	0.60
1105	972.0	973.0	1.0	100%	PQI, abundant clay	Tr.	0.20
1106	990.0	991.0	1.0	100%	PQI, abundant chlorite & py	0.01	0.60
1107	1000.9	1003.4	2.5	64%	PQI, sil, with comb qtz.	0.01	0.40
1108	1031.8	1033.8	2.0	100%	PQI, sil	Tr.	0.20

BY ..... DATE ..... SUBJECT ASSAYS - HOLE #13B SPLIT CORE SHEET NO. ..... OF .....

CHKD. BY ..... DATE ..... JOB NO. .....

SAMPLE No.	FROM	TO	FT	REC.	DESCRIPION	Au	Ag
1126	778.9'	779.9'	1.0'	100%	Microbx, abundant py, & chlorite	Tr.	0.40
1127	796.0'	798.0'	2.0'	100%	PQI, sil, minor comb qtz.	Tr.	0.60
1128	798.0'	799.0'	1.0'	"	Comb qtz.	Tr.	0.40
1129	799.0'	802.0'	3.0'	67%	PQI, sil, minor comb qtz.	Tr.	0.30
1135	818.8'	819.4'	0.6	100%	PQI, sil, chlorite, minor comb qtz.	Tr.	Tr.
1136	819.4'	819.7'	0.3	100%	wh. talc, with heavy py	0.01	Tr.
1137	819.7'	820.5'	0.8	63%	Comb qtz., minor talc.	Tr.	Tr.
1138	820.5'	821.0'	0.5	80%	PQI, chlorite, some sil, & clay	Tr.	Tr.
1139	821.0'	822.7'	1.7	83%	PQI, some qtz., minor talc	Tr.	Tr.
1140	822.7'	826.3'	3.6	94%	PQI Bx, sil., chlorite, minor qtz.	Tr.	Tr.
1141	826.3'	827.7'	1.4	100%	Comb qtz	Tr.	Tr.
1142	827.7'	831.8'	4.1	66%	PQI Bx, sil., chlorite, minor qtz.	Tr.	Tr.
1143	831.8'	835.0'	3.2	53%	Comb qtz., with wh. talc.	Tr.	Tr.
1144	835.0'	836.4'	1.4'	30%	Comb qtz.	Tr.	Tr.
1145	836.4'	840.7'	4.3'	14%	Comb qtz.	Tr.	Tr.
1146	840.7	843.5	2.8'	100%	PQI, sil, minor Bx	Tr.	Tr.
1147	868.0'	870.0'	2.0'	100%	PQI, sil, minor comb qtz.	Tr.	0.00
1148	887.2'	889.2'	2.0'	100%	PQI, some sil & chlorite, sanidine?.	Tr.	0.00
1149	896.0'	898.0'	2.0'	100%	PQI, sil, abundant py	Tr.	0.05
1150	962.0'	964.0'	2.0'	100%	PQI, sil, chlorite, ??? sulphides.	0.04	0.15

Loc.: Collared 3' S60°W of #3A

Coordinates – East
North
Collar Elevation

Inclination -70°
Bearing N60°E
Logged By BROOKE

Date Started 10/8/66
Date Completed 11/21/66
Drilled By JUSTICE DRILLING CO.

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	%	%	%	Assay Average
								STRUCTURE				
0	240'			Rock Bit								
240'	335'	100%		Tuff Bx, Gy to tan	None	Some sil & FeOx. Minor clay. Abundant FeOx & vugs 254.5'-276.5', & 283.5'-307. Abundant py, fine diss. & blebs 276.5'-283.5, & 307-327. Some clay 309'-320. Heavy py 327'-335.		Gen. mass. Bx & cemented. Banding 5° to axis @ 245', 50° to axis @ 280', & 335'. Frac. 50°, 50° to axis & irregular.				
335'	430'	97%		Tuff, Gy, minor Bx	"	Some sil & clay. Abundant py, fine diss. & blebs. Few vugs. Locally, weak qtz. Stringers.		Gen. mass. Minor Bx-recemented. Banding mostly irregular. Frac 15°, 30°, & 60° to axis & irregular. Broken 372'-376', & 380.5'-383'				
430'	530'	98%		Tuff Bx, Gy	"	Abundant sil. Some clay. Abundant py, fine diss. & blebs. Few vugs.		Gen. mass. Bx & recemented. Banding mostly indistinct, where visible-irregular. Frac. gen. 40°-50° to axis, & irregular.				
530'	558'	100%		Fault Delamar Some Bx, & microbx	None visible	Some sil & clay. Abundant py, fine diss. & blebs. Heavy py 541'-543.5'. Few vugs.		Gen. mass. Banding 40°-60° to axis, & irregular. Frac. mostly 40°-60° to axis				
558'	654	94%		Ditto	" "	Abundant sil, some clay. Abundant py, fine diss. & blebs. Few vugs. Heavy sil & clay 613'-627'. Heavy sil, locally heavy clay 630'-654'		Gen. mass. Bx & cemented. Banding gen. indistinct, where visible-irregular. Frac. gen. 40°-50° to axis & irregular.				
654'	669'	100%		Ditto, microbx	" "	Abundant clay. Minor sil. Heavy py, fine diss. Minor chlorite. Comb qtz., 665'-665.3'		Gen. mass. Microbx. Frac. 40° & 70° to axis, & irregular.				
669'	735'	96%		Tuff, Gy	" "	Abundant clay. Minor sil. Abundant py, fine diss, bands, & blebs. Few stringers. Comb qtz.		Gen. mass. Banding mostly 40°-60° to axis. Frac. Same, except 5°-30° to axis @ 731'-734'. Broken 708'-716.5'				
735'	762	100%		Fault, unknown, "Iron Dike". Bx & microbx	" "	Abundant clay. Minor to some sil. Minor chlorite. Some py, fine diss. Few xtls, calcite & siderite @ 744'. Heavy clay 735'-742', 755'-758'. Abundant py 756'-760'. Abundant Fe 760'-762'		Gen. broken. Bx & partially healed. Frac. 30°-60° to axis, & irregular.				
762	796.5	84%		Ditto, microbx	" "	Abundant clay. Abundant py, fine diss. & cubes to 1/16". Abundant chlorite		Gen. mass Bx & cemented. Frac gen. 45°-60° to axis.				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

Delamar Hole No. 30
Page 1 of 2

Coordinates – East _____ Inclination _____ Date Started _____
North _____ Bearing _____ Date Completed _____
Collar Elevation _____ Logged By _____ Drilled By _____

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	%	%	%	Assay Average
								STRUCTURE				
796.5'	819'	79%		PQI, Gy-Gn, with minor Comb qtz.	None visible Comb qtz. 798'-799'	Some sil & chlorite. Comb qtz as frac. fillings, veinlets to 1.0'. Abundant py, fine diss. & blebs. Some clay 810'-814'. Qtz. Xyrds	Comb qtz	Gen. broken. Highly fractured & cemented with comb qtz. Brittle. Broken 807'-815' & 817'-819'				
819'	841'	61%		Vein (77?), Comb qtz. & PQI Bx. Comb qtz.	Fine diss. sulf. Sb_2S_3? 824'-826.5' 821'-821.5' 826'-829.5' 831'-841.5'	Abundant comb qtz. Some chlorite, & clay in Bx. Abundant py, fine diss. & blebs. Bands of lush talc?, with heavy py. 819.5'-824', 832.3'-832.8'		Gen. broken. Frac. gen. 50°-60° to axis, & irregular. Broken 819'-823' & 831'-841'				
841'	905'	96%		PQI, Gy-Gn, with minor comb, & minor Bx	None visible	Abundant sil. Some chlorite. Minor clay. Abundant py, fine diss. & blebs. Few vugs. Sonadine? 886'-892'		Gen. mass. Frac. 30°-40°, & 50°-60° to axis, & irregular. Broken 844.5'-845.5', 892'-893.5'. Minor Bx.				
905'	950'	92%		PQI, Gy-tan, minor Bx	" "	Some sil. Minor clay & chlorite. Sonadine? Abundant py, mostly blebs. & bands. Minor comb qtz.		Gen. mass. Frac. 30°-40° to axis, & irregular. Minor Bx.				
950'	976'	97%		PQI, Gy-Gn	" "	Some sil & chlorite. Comb qtz. 966'-960.5'	Minor clay	Gen. mass. Frac. 20°-30°, & 60°-70° to axis. Minor Bx				
976'	1000.5'	98%		PQI, Gn	" "	Abundant clay & chlorite. Minor sil. Some py. fine diss.		Mass. to broken. Frac. 20°-30°, & 60°-70° to axis.				
1000.5'	1012'	100%		Fault unknown. Iron Dike? Bx & microbx	" "	Heavy clay. Some chlorite. Some py. fine diss.		Mass. to broken. Bx & cemented. Gen. soft.				
1012'	1054'	96%		PQI Bx	" "	Some sil, clay, & chlorite. Few vugs lined with qtz. Minor comb qtz, mostly as frac. filling.		Gen. mass. Bx & cemented. Frac. 10° & 30° to axis & irregular.				
1054'	1079.4'	68%		Fault, Chatauqua? Bx & microbx	" "	Heavy sil with comb qtz, vugs 1054'-1060'. Heavy clay, minor sil 1060'-1079. Abundant py. fine diss., & bands.		Gen. broken. Bx & microbx. Gen. soft. Frac. 45° to axis, & irregular				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. #38
Page 2 of 2

BY_____ DATE_____ SUBJECT CORE RECOVERY SHEET NO._____ OF_____

CHKD. BY_____ DATE_____ RUNS - HOLE #3B JOB NO._____

FROM	TO	FT	REC
240.0'	246.6'	6.6'	6.6'
	256.5	9.9	9.9
	266.5	10.0	10.0
	276.5	10.0	10.0
	286.5	10.0	10.0
	295.0	8.5'	8.5'
	305.0	10.0	10.0
	311.1	6.1	6.1
	319.8	8.7	8.7
	326.5	6.7	6.7
	334.5	8.0	8.0
	344.3	9.8	9.6
	345.5	1.2	0.5
	354.5	9.0	9.0
	364.5	10.0	10.0
	373.2	8.7	7.4
	376.0	2.8	2.8
	382.6	6.6	6.4
	392.6	10.0	10.0
	398.5	5.9	5.3
	405.5	7.0	7.0
	413.3	7.8	7.8
	422.3	9.0	9.0
	425.0	2.7	2.7
	427.5	2.5	2.5
	433.0	5.5	5.0
	439.5	6.5	6.5
	443.0'	3.5	3.2
	453.2	10.2	10.2
	463.5	10.3	10.3
	470.5	7.0	7.0
	476.0	5.5	5.5
	485.3	8.3	8.3
	493.5	8.2	7.9
	503.2	9.7	9.7
	506.1	2.9	2.9
	515.8	9.7	9.7
	525.8	10.0	10.0
	527.5	1.7	1.4

FROM	TO	FT	REC
527.5'	530.5'	3.0'	3.0'
	537.5	7.0	7.0
	545.0'	7.5	7.5
	552.5	7.5	7.5
	562.3	9.8	9.8
	572.0	9.7	9.7
	576.0	4.0	4.0
	585.8	9.8	8.2
	591.5	5.7	5.7
	598.1	6.6	6.6
	605.5	7.4	7.4
	614.0	8.5	8.5
	621.0	7.0	4.3
	627.0	6.0	5.0
	634.5	7.5	6.8
	638.6	4.1	4.1
	646.2	7.6	7.6
	654.8	8.6	8.6
	664.5	9.7	9.7
	669.3	4.8	4.8
	675.5	6.2	6.2
	681.0	5.5	5.3
	684.9	3.9	3.9
	694.9	10.0	10.0
	701.3	6.4	6.2
	709.4	8.1	6.5
	713.1	3.7	2.8
	716.4	6.7	3.8
	725.2	8.8	8.8
	734.5	9.3	9.3
	742.4	7.9	7.9
	745.4	3.0	3.0
	752.4	7.0	7.0
	755.5	3.1	3.1
	762.5	7.0	7.0
	765.5	3.0	3.0
	772.7	7.2	5.2
	778.9	6.2	5.8
	784.0	5.1	5.1

FROM	TO	FT	REC
784.0	794.0	10.0	7.2
	802.0	8.0	7.2
	806.5	4.5	3.1
	807.0	0.5	0.3
	807.9	0.9	0.6
	811.2	3.3	2.9
	812.2	1.0	0.3
	814.0	1.8	0.8
	814.7	0.7	0.7
	818.8	4.1	3.8
	820.5	1.7	1.4
	821.0	0.5	0.4
	822.7	1.7	1.4
	827.0	4.3	4.1
	831.8	4.8	3.4
	835.0	3.2	1.7
	836.4	1.4	0.4
(Burning out)	840.7	4.3	0.6
	843.5	2.8	2.8
	844.6	1.1	1.1
	846.1	1.5	1.1
	851.5	5.4	5.2
	856.9	5.4	5.4
	863.6	6.7	5.3
NX →	868.0	4.4	4.4
BX	878.8	10.8	10.1
	889.2	10.4	10.3
	895.1	5.9	5.9
	905.4	10.3	10.3
	915.6	10.2	10.2
	925.6	10.0	10.0
	935.6	10.0	10.0
(Broken spring)	945.6	10.0	7.5
	955.8	10.2	8.9
	960.5	4.7	4.5
	971.0	10.5	10.3
	981.3	10.3	10.3
	992.2	10.9	10.3
	1001.5	9.3	9.3

FROM	TO	FT	REC.
1001.5	1008.5	7.0	7.0
	1011.9	3.4	3.4
	1021.8	9.9	9.9
	1032.1	10.3	10.3
	1042.4	10.3	10.3
	1052.1	9.7	9.7
	1056.3	4.3	2.3
	1057.8	1.5	0.8
	1058.8	1.0	0.5
	1063.0	4.2	2.4
	1069.5	6.5	6.5
	1072.4	2.9	2.9
	1079.4	7.0	2.7

Remarks:

1. Surface Casing to 33'
2. Rock Bit & NX Casing to 240'
3. Hole cemented @ 784', back to ±584'
4. Reduce to Bx @ 868'
5. About 65% Circ. below 784'

EASTMAN OIL WELL SURVEY COMPANY

EASTMAN DIRECTIONAL DRILLING INSTRUMENTATION

"Symbol of Service"

SHEET /

COMPANY CONTINENTAL QUICKSILVER, INC. JOB NO. _____ DATE 11/13/66

WELL #3B FIELD CREW _____

LOCATION _____ DISTRICT _____ COMPUTATIONS _____ FILM _____

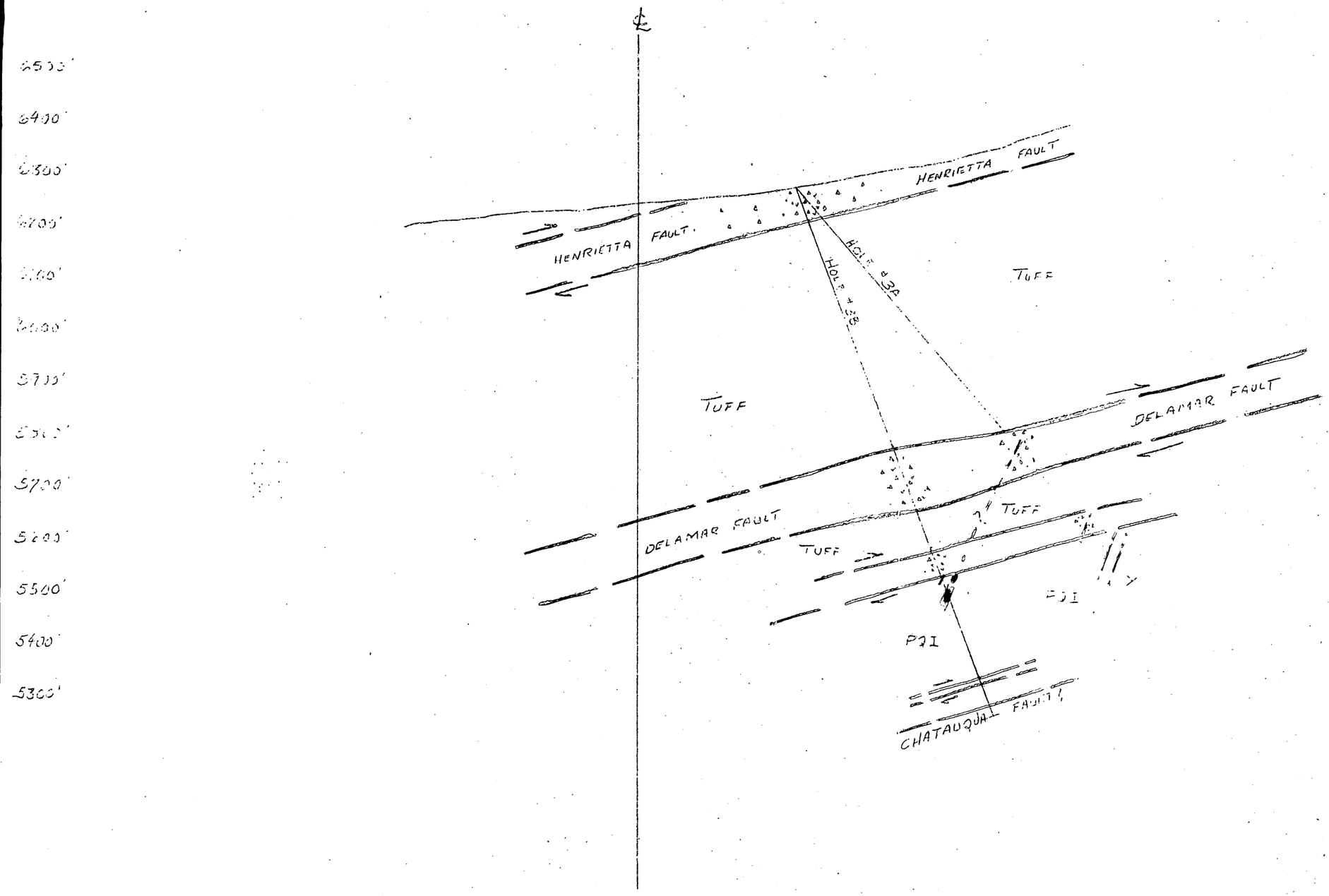
TYPE OF SURVEY SINGLE SHOT M S _____ UNIT _____ BBL _____

STA. NO.	MEASURED DEPTH	COURSE LENGTH	DRIFT ANGLE	VERTICAL DEPTH	TRUE VERTICAL DEPTH	COURSE DEV.	DRIFT DIRECTION	COORDINATE DIFFERENCES NORTH	SOUTH	EAST	WEST	RECTANGULAR COORDINATES NORTH	SOUTH	EAST	WEST
1	260'	N59°E	-72°												
2	400'	N58°E	-72°												
3	600'	N58°E	-72.5°												
4	800'	N59°E	-72.5°												

C-315 R 1

BY GLB DATE SUBJECT SECTION 6, DELAMAR SHEET NO. OF
CHKD. BY DATE GEOLOGY, OWYHEE CO., IDAHO JOB NO.
SCALE: 1" = 200'

N 60° E



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 20, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 23 1966
INITIALS | CODE
170
110
120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are two Thermo-Fax copies of a letter dated December 13, 1966, from the subject Operator in which he requests a period of recess from November 23, 1966, to June 1, 1967, and an extension of the contract period for 6 months or to 24 months from the date of the contract.

It is not known at present whether additional drilling will be approved. When the data relative to the last hole is available, a complete appraisal will be made. In order to keep the contract open, it is recommended that the requested recess be approved.

Drilling started in May of this year, and for the 5 months of May through September, the monthly footage drilled ranged from 608 feet per month to 841 feet per month, an average of 720 feet per month. At this rate, if drilling can be started by May 1, 1967, the time presently allowed for completion of the contract would be 4 months and, at this year's average rate of advance, about 2,900 feet of hole could be drilled. If work cannot be started until June 1, 1967, there would be time for drilling about 2,100 feet. There remain a total of 2,644 feet of drilling if all holes are approved.

As the requested time extension, if approved, will lengthen the royalty period and may not be necessary, it is left to you whether the request to extend the contract period be approved now, or whether it should await next season's progress.

D. R. MacLaren

D. R. MacLaren

Enclosures

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 20, 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Enclosed are two Thermo-fax copies of a letter dated December 15, 1966, from the subject Operator in which he requests a period of recess from November 23, 1966, to June 1, 1967, and an extension of the contract period for 6 months or to 24 months from the date of the contract.

It is not known at present whether additional drilling will be approved. When the data relative to the last hole is available, a complete appraisal will be made. Inorder to keep the contract open, it is recommended that the requested recess be approved.

Drilling started in May of this year, and for the 5 months of May through September, the monthly footage drilled ranged from 608 feet per month to 841 feet per month, an average of 720 feet per month. At this rate, if drilling can be started by May 1, 1967, the time presently allowed for completion of the contract would be 4 months and, at this year's average rate of advance, about 2,900 feet of hole could be drilled. If work cannot be started until June 1, 1967, there would be time for drilling about 2,100 feet. There remain a total of 2,644 feet of drilling if all holes are approved.

As the requested time extension, if approved, will lengthen the royalty period and may not be necessary, it is left to you whether the request to extend the contract period be approved now, or whether it should await next season's progress.

D. R. Maclaren

Enclosures

PHONE

CONTINENTAL MATERIALS CORPORATION

[illegible] SOUTH NINTH STREET P. O. BOX 190 GRAND JUNCTION, COLORADO [illegible]

December 13, 1966

Mr. D. R. MacLaren
U.S. Department of the Interior
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Re: OME 6455 (Gold-Silver)
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. MacLaren:

In regard to your letter dated December 6, 1966, the last day of contract work this season was November 23rd. We would like to request a recess until June 1, 1967. Work on the contract will be resumed on or before that date.

The contract is dated February 28, 1966, therefore the 18 month period would not be up until August 28, 1967 instead of August 28, 1966 as stated in your letter. However, in view of the length of time necessary to complete these deep holes and assemble all of the data connected with each new hole, it would appear prudent to request a six month extension of the contract at this time.

We intend to review drilling completed thus far over the winter and then lay-out additional drill holes for the June 1st start-up.

The November progress report will be in the mail within the next few days.

Sincerely yours,

CONTINENTAL QUICKSILVER, INC.

RECEIVED
DEC 17 1966

C. H. Reynolds
Vice President - Mining

CHR/ds

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

DATE 11/30/66 INITIALS

1.

Re: OME-6455 (Gold-Silver)

2. Continental Quicksilver, Inc.

~~DeLamar Mine~~

3. Owyhee County, Idaho

~~Contract 2214~~

4.

D. R. MacLaren

5. D. R. MacLaren

FROM: Fld. Officer, REg. I

OFFICIAL COPY

O. M. E.

~~RECEIVED~~

DEC 5 1966

MINERALS CODE

~~120 M~~

~~120~~

120K

FOR: Check items for action desired

X Action ____ Reply for signature ____ of

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Transmittal of Monthly Voucher, Progress Report, Statement of Core Drilling, Narrative, and Assay Certificate for October 1966.

INT.-DUP. SEC., WASH., D.C. M56300-62

Dme(v.)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 6, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 9 1966
INITIALS CODE

AIRMAIL

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

In your October Narrative Report you state that Hole 3-B will probably be the last to be drilled during this field season. If this should be the case, you should request an amendment to the contract authorizing a recess period and, if the project cannot be completed on or before August 28, 1966 (18 months from the date of the contract), an extension of time within which to complete the drilling. The request should give the last day of contract work this season, a date on or before which work will be resumed, the number of months the completion date should be extended, and the reason for the requests. 1967

We will not know which, if any, additional holes will be approved for Government support until I have the data from Hole 3-B and can make a complete appraisal of the results to date. However, a request for a recess will, if approved, keep the door open for possible additional drilling with Government assistance.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME(2)
MacLaren
Voucher File

Director's Reading File

CONTINENTAL MATERIALS CORPORATION

[illegible]

[illegible]ober 19, 1966

[illegible] S. Department of the Interior
[illegible]ffice of Minerals Exploration
[illegible]eological [illegible]urvey
[illegible]07 [illegible]oward Street
Spokane, [illegible]ashington 99204

[illegible] Mr. [illegible]
[illegible]ontract [illegible]214
[illegible]elemar Mine
[illegible]ywee [illegible]o., Idaho

Attention: Mr. D. R. MacLaren

Gentlemen:

Enclosed are the original and three [illegible]opies of [illegible]perator's Monthly Voucher and Operator's [illegible] report with invoices attached, and of the [illegible] report for the month of [illegible]eptember with geological [illegible]

Very [illegible] yours,

CONTINENTAL [illegible], INC.

Vin. R. [illegible]
Office Manager

VRG/de
Encls.

voucher not rec'd.

RECEIVED
NOV 28, 1966

E FORM 60
EPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6455
Contract No.
14-23-090- 2214
Contract Amount $ 61,360.00
Gov't. Participation %62½ $38,350.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of October, 1966

Operator's Name Continental Quicksilver, Inc.
Address 820 So. 9th St., Box 190, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	$ -	$ 280.00	$ 280.00			
Drifting Mobilization	-	350.00	350.00			
Crosscutting						
Drilling dia. core	4,789.95	25,000.95	29,790.90			
Overburden	—	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	263.90	1,255.45	1,519.35			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Supplies	80.50	930.90	1,011.40			
Core boxes		242.80	242.80			
Casing	282.00	648.00	930.00			
Cementing	—	960.00	960.00			
Surveying	18.00	66.00	84.00			
Assays	11.00	198.00	209.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$5,445.35	$30,123.20	$ 35,568.55			

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

Date Nov. 25, 1966* Payee Continental Quicksilver, Inc.

Per C. W. Reynolds Title General Superintendent

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 394.13

14X0804

Signature REM
(Authorized Certifying Officer)

Date DEC 12 1966 Vou. No. 4645

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature D R Macharen Title Field Officer, Region I Date NOV 30 1966

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Field Officer, Region I Date NOV 30 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

4 4 5 2 0 4

ME FORM 61
SEPT. 1959

RECEIVED
NOV 28, 1966

HL 12/1/66

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of October 1966 Docket No. OME-6455

Operator's Name Continental Quicksilver, Inc. Contract No. 14-23-090-2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Bulldozing	hrs.	-	20	$ 280.00	—	20	$ 280.00
Mobilization		-		350.00	—	1	350.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft.	754	4341	29,790.90	53 [11]	3634 [12]	25,410.00 [11]
Rotary							
Drilling, Non-core-Diamond							
overburden	Ft.	-	26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Supplies				1,011.40	— [11]	$ 930.90	930.90 [11]
Core Boxes	Ea.	-	363	242.80	21 [12]	325 [12]	242.80
Casing	Hrs.	23.5	77.5	930.00	14.5 [11]	68.5 [11]	822.00 [11]
Cementing	Hrs.	-	80	960.00	—	80.0	960.00
Surveying	Hrs.	1.5	7	84.00	1.5	7	84.00
Incidental	Ft.	754	4341	1,519.35	53 [11]	3634 [13]	1271.90 [11]
Assays	Ea.	4	76	209.00	4	76	209.00
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$35,568.55			$ 30,751.70

REMARKS

Drilling: 14' @ 7.35
39' @ 7.85
240' @ 5.00
461' @ 6.90

Cementing limited to 80 hrs. maximum allowed

(Continue on back)

REMARKS

[11] Hole 3-B has not yet been completed. Therefore claim for costs charged against this hole are not now approved but will be accepted when hole has been finished.

(Continue on back) (over)

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

Date November 25, 1966 Operator Continental Quicksilver, Inc.

Per C. W. Reynolds Title General Superintendent

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

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

Signature D. R. McBeen

Title Field Officer, Region I
Government Representative

Date NOV 30 1966

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

11 Cont.

Following claimed cost not now accepted:

240' plug drilling @ $5.00/ft =	$1,200.00
461' NX " @ $6.90/ft =	3,180.90
supplies =	80.50
9 hrs casing @ $12.00/hr =	108.00
701' incidental @ $0.35/ft =	245.35
Total not approved	$4,814.75

12 Operator's Aug. + Sept. Narrative reports account for:

21 wooden boxes @ 3.50 =	73.50
304 cardboard " @ 0.675 =	205.20
325 boxes	$278.70

∴ $242.80 claimed is accepted

13 See note 11 Aug + Sept MME-61's deleting 6' from Operator's claimed total footage

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

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Continental Quicksilver, Inc.
820 So. 9th St. Box 190
Grand Junction, Colorado 81502

Amount Claimed:	Differences (Explained Below)	Amount Approved
$5,445.35	$4,814.75	$630.60 $394.13 Govt. Partitipation
Bur. Voucher No.	Payee's Invoice No. Docket # 6455 Contract # 2214	Period OCTOBER 1966

EXPLANATION

$4,814.75 Dissallowed per Field Officers information that Hole 3-B has not been completed as yet. This disallowance may be reclaimed when hold finished.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

B. E. McFarlane

Branch of Budget and Finance

JUSTICE CORE DRILLING CO
Rt. 2, Wildwood st.
Boise, Idaho

Nov. 1, 1966

Continental Materials Corp.
820 South Ninth Street
Grand Junction, Colorado

Billing on Delmar, Idaho drill Job, for month of November 1966.

Hole # 4-B

Core Drilling; BX 986 to 1000	@ 7.35 per ft.	102.90
1000 to 1039	@ 7.85 per ft.	306.15
Surveying; 1.5 hrs.	@ 12.00 per hr.	18.00
Pulling casing; 14.5 hrs.	@ 12.00 per hr.	174.00
Casing left in hole; 350 BX casing	@ 2.50 per ft.	875.00

Hole # 3-B

Plug Drilling; 0 to 240	@ 5.00 per ft.	1200.00
Core Drilling; NX 240 to 500	@ 6.90 per ft.	1794.00
500 to 701	@ 7.35 per ft.	1477.35
Cement Time; 5 hrs.	@ 12.00 per hr.	60.00
Casing Time; 9 hrs.	@ 12.00 per hr.	108.00
Cement;	10 sacks of portland @ 2.00	20.00
Calcium Chloride;	2 sacks @ 2.30	4.60
Drill mud;	23 sacks @ 3.30	75.90
Freight on core boxes		14.16
	Total	~~6230.50~~ 6230.06

Leonard S. Justice

Leonard S. Justice

okay
S.

11/25/66

NARRATIVE REPORT

October 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

The 4 B Drill Hole was bottomed at 1,039 feet on October 6th. The hole had been cased with NX casing to 795 feet. Some caving was encountered around 870 feet and circulation was lost at 945 feet. Two attempts were made at cementing the hole, but circulation was maintained only while drilling out the cement. The hole was completed blind. However, reasonable core recovery was maintained.

The completed lithologic log, assays and other data on this hole were submitted with September report.

The 3B Hole was started on the 8th. It was drilled to 240 feet by rock bit, and could have been advanced further had sufficient rock bits been on hand. At that point it was cased and has been continued NX wireline. At month end it stood at 701 feet. The DeLamar Fault was cut from 530 to 669 feet and the porphyry is expected at approximately 800 feet.

This hole will likely be the last to be drilled during this field season. Geologic data will be submitted upon completion of the hole.

Signed: C. H. Reynolds
C. H. Reynolds

RECEIVED
NOV 28, 1966

P. M. CRISMON, PRES.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE 363-7417

P. O. BOX 1708

SALT LAKE CITY, UTAH 84110

REPORT OF ASSAY

October 25, 1966

Continental Materials Corp. - G. L. Brooke

WE HAVE ASSAYED YOUR four SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
	1114	Trace	Trace							
	1115	Trace	0.60							
	1116	0.06	6.95							$ 2.10
	1117	0.08	1.10							$ 2.80

MATERIALS CORP. GRAND JUNCTION

ACCOUNT | AMOUNT

416-08 | 12.00

APPROVE

REMARKS: Copy sent to Jordan Valley, Ore.

CHARGES $ 12.00

CRISMON & NICHOLS

BY

MME FORM 60
SEPT. 1959

RECEIVED

OCT 21 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6455
Contract No. 14-23-090-2214
Contract Amount $ 61,360.00
Gov't Participation % 62½ $ 38,350.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of Sept. 1966

Operator's Name Continental Quicksilver, Inc.
Address 820 So. Ninth St., Box 100, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	$ -	$ 280.00	$ 280.00			
Drifting Mobilization	-	350.00	350.00			
Crosscutting						
Drilling Dia. Core	5,909.10	19,091.85	25,000.95			
Overburden	-	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	294.35	961.10	1,255.45			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
~~Lumber~~ Supplies	162.30	768.60	930.90			
~~Explosives~~ Core boxes	-	242.80	242.80			
~~xxxx~~ Casing	180.00	468.00	648.00			
~~xxx~~ Cementing	-	960.00	960.00			
Surveying	-	66.00	66.00			
Assays	82.50	115.50	198.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	6,628.25	23,494.95	30,123.20			

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

Date Oct. 19, 1966 *Payee Continental Quicksilver, Inc.

Per C. R. Reynolds Title Gen. Supt.

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 4,142.66

14X0804

Signature
(Authorized Certifying Officer)

Date NOV 8 1966 Vou. No. 3790

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature D R MacKeen Title Field Officer, Region I Date OCT 25 1966

Approved by OME Executive Officer or Alternate:

Signature D R MacKeen Title Field Officer, Region I Date OCT 25 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

BUDGET & FINANCE
OCT 26 8 12 AM '66
RECEIVED
GEOL. SURVEY
10922 3

MME FORM 61
SEPT. 1959

RECEIVED
OCT 27 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of September 1966 — Docket No. OME-8455

Operator's Name Continental Quicksilver, Inc. — Contract No. 14-23-090- 2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
~~Drilling~~ Bulldozing	Hrs	-	20	$ 280.00	—	20	280.00
~~Closscutting~~ Mobilization				350.00	—	1	350.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft	841	3587	25,000.95	841	3581 L1	25,000.95
Rotary							
Drilling, Non-core-Diamond							
overburden Rotary	Ft	-	26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Supplies				930.90			930.90
Core boxes	Ea	-	363	242.80	77	304 L2	242.80 L2
~~Roads and Trails~~ Casing	Hrs	15	54	648.00	15	54	648.00
~~Stripping~~ Cementing	Hrs	-	80	960.00	—	80	960.00
~~Trenching~~ Surveying	Hrs	-	5.5	66.00	—	5.5	66.00
~~Test Pitting~~ Incidental	Ft	841	3587	1,255.45	841	3581 L1	1253.35
Other Surface Work Assays	Ea	30	72	198.00	30	72	198.00
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				30,123.20			30,121.10

REMARKS

Drilling: 605' @ 6.90
236' @ 7.35

Cementing limited to 80 hrs. maximum allowed

Core boxes to date: 23 wooden
304 cardboard

(Continue on back)

REMARKS

L1 See Aug MME-61 Notes L1 + L2
Approved herewith,
NX (0-500) 355 @ 6.90 = 2449.50
NX (500-750) 250 @ 6.90 = 1725.00
NX (750-1000) 45 @ 7.35 = 330.75
BX (0-191) 191' @ 7.35 = 1403.85
Total 841' = 5909.10
Thru Aug 2740 19091.85
Total to Date 3581 25,000.95

(Continue on back) Over

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

Date Oct. 19, 1966 Operator Continental Quicksilver, Inc.

Per C. R. Reynolds Title Gen. Supt.

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

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

Signature [illegible]

Title Field Officer, Region I
Government Representative

Date OCT 25 1966

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

1 Cont'd
26' overburden drilling not claimed for Incidental Allowance Could be approved if claimed

12
31 Wooden core boxes will be approved when pending Amendment is executed, A net claimed is accepted

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

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RECEIVED
BUDGET & FINANCE
OCT 28 8 17 AM '66
GEOLOGICAL SURVEY
OCT 23

JUSTICE CORE DRILLING CO.
Rt. 2, Wildwood St.
Boise, Idaho

Oct. 3, 1966

Continental Materials Corp.
820 South Ninth Street
Grand Junction, Colorado

Billing on Delmar, Idaho drill job, for month of Sept. 1966

Hole 4-B

Core Drilling;	NX 145 to 500 @ 6.90 per ft.		2449.50
	500 to 750 @ 7.35		1837.50
	750 to 795 @ 7.90		355.50
	BX 795 to 986 @ 7.35		1403.85
Cement time;	44 hrs. @ 12.00 per hr.		528.00
Casing time;	15 hrs. @ 12.00 per hr.		180.00
Drill mud;	40 sacks @ 3.30		132.00
Cement;	6 sacks of portland @ 2.00		12.00
	2 sacks of cal-seal @ 8.00		16.00
Calcium Chloride;	1 sack @ 2.30		2.30
		Total	6916.65

Leonard S. Justice

Leonard S. Justice
Manager

Okay
LRB

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

CERTIFICATE OF ASSAY

TELEPHONE EM 3-2563

BLACK & DEASON

ASSAYERS AND CHEMISTS

Continental Materials Corporation

SALT LAKE CITY, UTAH 84110 September 7, 1966

ASSAY PER TON OF 2000 POUNDS

NAME	NO.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	%
#1034		0.02		22.0							
#1035		Trace		Trace							
#1036		Trace		2.0							
#1037		Trace		Trace							
#1038		Trace		2.0							
#1039		Trace		2.0							
#1040		Trace		2.1							
#1041		Trace		0.8							

CHARGE $ 24.00

W. Everseley

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

CERTIFICATE OF ASSAY

TELEPHONE EM 3-2563

BLACK & DEASON

ASSAYERS AND CHEMISTS

Continental Materials Corporation

SALT LAKE CITY, UTAH 84110 September 13, 1966

ASSAY PER TON OF 2000 POUNDS

NAME	NO.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	%
#1042		Trace		2.0							
#1043		Trace		Trace							
#1044		Trace		Trace							
#1045		Trace		6.0							
#1046		Trace		2.0							
#1047		Trace		1.0							

CHARGE $ 18.00

W. Everseley

R. R. CASTO
P. M. CRISMON
ORRIN FISHER
HAROLD E. CULVER

CRISMON & NICHOLS
ASSAYERS AND CHEMISTS
229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417
P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH October 11, 1966

Continental Materials Corp.

WE HAVE ASSAYED YOUR sixteen SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
	1048	0.03	Trace							$ 1.05
	1049	0.04	0.95							$ 1.40
	1100	0.11	1.30							$ 3.85
	1101	0.01	0.40							35¢
	1102	0.02	0.20							70¢
	1103	0.04	0.25							$ 1.40
	1104	0.11	13.90							$ 3.85
	1105	Trace	0.20							
	1106	0.01	0.60							35¢
	1107	0.01	0.40							35¢
	1108	Trace	0.20							
	1109	0.01	0.80							35¢
	1110	0.01	0.80							35¢
	1111	0.02	3.50							70¢
	1112	0.03	2.80							$ 1.05
	1113	0.05	1.65							$ 1.75

Okay

REMARKS: Copy mailed to Mr. Brooke in Jordan Valley, Oregon.

CHARGE TO 48.00

CRISMON & NICHOLS

10/19/66

NARRATIVE REPORT

September 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

Drilling continued throughout the month. Hole No. 4B was advanced from 145 feet to 986 feet. The footwall of the DeLamar Fault was reached at 891 feet. Again tuff was encountered below the DeLamar, but the porphyry (PQI) was cut at 926.5 feet. As in the 3A hole, a fault below the DeLamar forms the tuff-PQI contact.

This hole was drilled NX wireline to 795 feet, and was then reduced to BX wireline. Circulation was maintaided to 954 feet. At this point the hole was cemented back to 820 feet as some caving around the 870 foot level had become troublesome. The first cementing did not hold so the hole was cemented a second time. The second attempt was no more successful. The hole was continued, but circulation was again lost at 954 feet. The hole has been drilled blind from 954 feet to 986 feet.

Hole 3B will be drilled next. This hole will be collard from the old 3A site, but the 3B Hole will be drilled at -70°.

Five (5) Wooden boxes and 77 cardboard boxes were used for the 4B core up to October 1st.

Other hole data is attached.

Signed: C. H. Reynolds
C. H. Reynolds

RECEIVED
OCT 21 1966

Coordinates – East _____ Inclination -70° Date Started 8/29/66
North _____ Bearing N 60°E Date Completed 10/6/66
Collar Elevation _____ Logged By BROOKE Drilled By JUSTICE DRILLING Co.

From	To	Feet Rcvd.	Rock Description	Mineralization	Alteration	Sample No.	% STRUCTURE	%	%	%	Assay Average
0'	25.0'		Surface Casing								
25.0'	168.0'	81%	Fault micro breccia, Rd. & Gn (Henrietta)	None	Weathered & oxidized. Heavy clay, & Fe ox. Minor Fe ox. 74'-84' 120'-131', & 166-168'		Micro bx, soft & massive. Few frac. gen. 60°-70° to axis.				
168.0'	242.0'	95%	Tuff, Gy to wh, minor Bx	"	Weathered, some clay & chlorite. Heavy chlorite 169'-174'		Gen. massive. Soft. Few frac. gen. 30° & 60°-70° to axis.				
242.0	332.0'	100%	Tuff, Gy, minor Bx	"	Minor weathering. Heavy clay. Minor chlorite. Qtz stringer, with py @ 273'		Gen. mass. Minor Bx. Good flow banding locally, gen. 40°-60° to axis. Frac. gen. to 60° to axis.				
332.0	400.0'	95%	Tuff Bx, Gy-Gn	"	Abundant clay, some chlorite. Minor py, & Fe ox 363-367. Some sil frac. starting @ 370'. Weak qtz lattice work 373-400'		Mass. to broken. Frac 10°-30° to axis, & irregular. Broken 360.5'-362.5'				
400.0	419.0'	93%	Tuff Bx, Gy	"	Heavy sil & clay. Minor chlorite & py. Vuggy		Gen. broken. Frac. irregular.				
419.0	431.5'	96%	Tuff Bx, Gy-Gn	"	Heavy clay. Some chlorite. Minor sil in lattice work. Few vugs.		Gen. mass. Frac. 30°-40° to axis.				
431.5	445.0'	98%	Tuff Bx, Gy	"	Heavy sil & clay. Minor py & chlorite. Vuggy! Abundant py locally, fine diss. & blebs.		Gen. broken. Frac. irregular				
445.0'	525.0'	99%	Tuff, Gy	"	Abundant sil. Some clay. Heavy clay 450'-453'. Some py, fine diss., & on frac. Few vugs. Heavy clay 479'-496'		Gen. mass. Flow banding variable. Minor Bx. Frac. variable. Bx 479.5-497				
525.0	609.0	100%	Tuff, minor Bx, Gy	"	Some clay & sil. Some py, fine diss. Few vugs. Heavy sil 560'-563'. Abundant py 595'-609'		Gen. mass, Minor Bx & recemented. Frac. 60° to axis & irregular.				
609.0	670.0	76%	Tuff, Bx, Gy	None visible	Abundant sil & py. Py fine diss. & blebs. Some vugs. Minor clay locally. Heavy clay 615'-616. Some clay 616'-661'. Weak qtz lattice work locally.		Gen. broken. Bx & partially re-cemented. Frac. variable. Broken 615'-616', 620'-670'. Banding 60° to axis @ 640'				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

Drummar Hole No. 43
Page 1 of 2

Coordinates – East _____ Inclination _____ Date Started _____
North _____ Bearing _____ Date Completed _____
Collar Elevation _____ Logged By _____ Drilled By _____

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	% STRUCTURE	%	%	Assay Average
670.0	738.0'	86%		Tuff, minor Bx, Gy	Tr. SbS_2? @ 702'	Abundant sil. Weak qtz lattice-work locally. Some py, fine diss. & blebs. Minor clay. Few calcite xls on frac. @ 702. Sil. & py inc. below 708'		Gen. mass. Good banding locally gen. 60°-70° to axis & irregular. Broken 720'-721				
738.0'	765.0'	100%		Tuff Bx, Gy	None visible	Heavy sil. Weak qtz. lattice-work locally. Abundant py, fine diss, & blebs. Some clay. Vuggy.		Gen. mass. Bx & recemented. Frac. 60°-70° to axis. & irregular.				
765.0	891.0	91%		Fault (Delomer) & altered tuff.	Bx Tr. SbS_2? 765-767	Heavy clay. Abundant py. fine diss, bands, & cubes. Some sil. locally, strong @ 807' Heavy sil 814-817 & 880'-891		Mass. to broken. Soft. Few frac. 50°-60° to axis. Broken 880'-891				
891.0'	918.0'	98%		Tuff, Gy, minor Bx	Few. Alunite xls @ 898'	Abundant sil, & py. Py, fine diss. & blebs. Comb qtz 898'. 898.5. Few vugs.		Gen. mass. Good banding, 70°-80° to axis. Frac. 70°-80° to axis.				
918.0'	926.5'	94%		Fault unknown, Bx, & micro Bx.		Abundant sil & clay. Few veinlets of comb qtz. Some chlorite? Abundant py locally.		Gen. broken. Attitude 60°? to axis.				
926.5	995.0'	82%		PQI, Gy	SbS_2? 940.5'-941.5	Heavy sil. Some clay locally. Minor veinlets of comb qtz. Abundant fine diss. py. Few vugs. Some chlorite. Comb qtz. veinlets ±35° to axis.		Mass. to broken. Abundant frac., mostly 40° & 60° to axis. Some irregular. Broken 939'-939', 951'-952.5, 956'-959, & 972'-986'				
995.0'	1021.0'	62%		PQI Bx, Gy-Gn, with veinlets of comb qtz to 0.2'	None visible	Abundant sil & chlorite. Many veinlets, stringers, etc. Comb qtz. Abundant py, fine diss, blebs, bands, etc. Some vugs. qtz. lined. Minor clay locally.		Gen broken. Abundant frac., mostly irregular.				
1021.0'	1038.8	67%		PQI Bx, Gy	" "	Abundant sil & py. Py, fine diss. & blebs. Minor chlorite. Few stringers of comb qtz.		Broken. Bx & partially cemented. Frac. abundant, mostly irregular.				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. 4B
Page 2 of 2

EASTMAN OIL WELL SURVEY COMPANY

EASTMAN DIRECTIONAL DRILLING INSTRUMENTATION

"Symbol of Service"

SHEET 1

COMPANY Continental Quicksilver, Inc. JOB NO. _____ DATE 10/6/66

WELL #4B FIELD CREW Brooke

LOCATION _____ DISTRICT DELAMAR COMPUTATIONS _____ FILM _____

TYPE OF SURVEY Single Shot M S _____ UNIT _____ BBL _____

STA. NO.	MEASURED DEPTH	COURSE LENGTH	DRIFT ANGLE	VERTICAL DEPTH	TRUE VERTICAL DEPTH	COURSE DEV.	DRIFT DIRECTION	COORDINATE DIFFERENCES NORTH	SOUTH	EAST	WEST	RECTANGULAR COORDINATES NORTH	SOUTH	EAST	WEST
1	200'	N55°E	70°												
2	400'	Not surveyed, hole cored after pulling casing													
3	600'														
4	800'	???	72°	Bearing off due to magnetic attraction of casing.											
5.	Not surveyed below 800' due to casing														

C-315 R 1

BY GLB DATE

CHKD. BY DATE

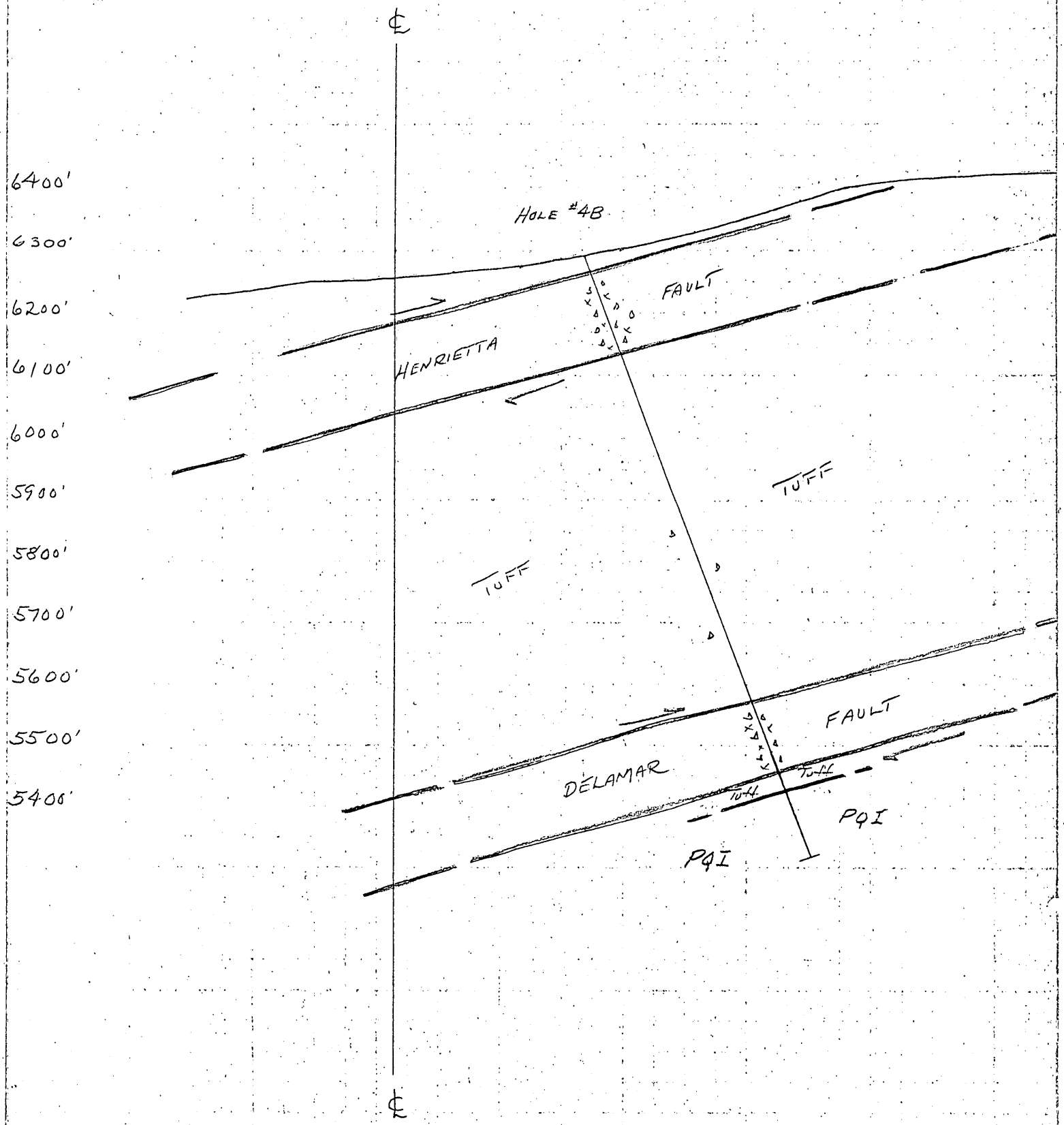
Scale: 1" = 200'

SUBJECT SECTION 7
DELAMAR GEOLOGY
OWYHEE CO., IDAHO

SHEET NO. OF

JOB NO.

N60°E



BY GLB DATE SUBJECT CORE RECOVERY BY RUNS - HOLE #4B SHEET NO. OF
CHKD. BY DATE JOB NO.

FROM	TO	FT.	REC.	
25.0'	34.7'	9.7'	5.8'	
	44.8'	10.1'	6.9	
	52.7	7.9'	7.9'	
	62.9'	10.2	9.8'	
	74.5	11.6	6.5	
	84.0'	9.5	8.5'	
	94.0	10.0	10.0	
	104.0	10.0	9.0	
	114.0	10.0	10.0	
	123.3	9.3	7.0	
	129.0	5.7	5.7	NC
	135.5	6.5	6.0	NX
	145.5'	10.0	10.0	
	155.5	10.0	1.0	(Tube unlatched)
	166.0	10.5	10.2	
	176.0	10.0	10.0	
	185.3	9.3	9.3	
	194.8	9.5	9.5	
	202.0	7.2	7.2	
	212.3	10.3	6.6	
	222.4	10.1	10.1	
	231.2	8.8	8.8	
	242.2	11.0	11.0	
	252.1	9.9	9.9	
	262.3	10.2	10.2	
	272.5	10.2'	10.2'	
	283.0	10.5	10.5	
	293.3	10.3	10.3	
	303.5	10.2	10.2	
	313.3	9.8	9.8	
	321.4	8.1	7.9	
	331.5	10.1	10.1	
	335.1	3.6	3.6	
	339.7	4.6	3.8	
	341.5	1.8	1.8	
	348.5	7.0	5.7	
	351.0	3.5	3.3	
	359.2	8.2	7.8	
	362.5	3.3	3.3	
	372.6	10.1	9.7	

FROM	TO	FT.	REC.	
372.6'	383.0'	10.4'	10.4'	
	393.2	10.2	10.2	
	402.4	9.2	8.5	
	404.4	2.0	1.3	
	405.0	0.6	0.5	
	407.8	2.8	2.3	
	415.2'	7.4	7.4	
	419.8	4.6	4.6	
	426.0	6.2	5.7	
	432.0	6.0	6.0	
	435.6	3.6	3.6	
	438.0	2.4	2.4	
	446.0	8.0	7.7	
	456.0	10.0	10.0	
	465.4	9.4	9.4	
	471.5	6.1	5.8	
	481.7	10.2	10.2	
	485.9	4.2	3.8	
	496.1	10.2	10.2	
	504.6	8.5	8.5	
	514.6	10.0	10.0	
	524.6	10.0	10.0	
	534.9	10.3	10.3	
	545.0	10.1	10.1	
	555.1	10.1	10.1	
	565.1	10.0'	10.0'	
	575.0'	9.9'	9.9'	
	585.0'	10.0'	10.0'	
	595.2'	10.2'	10.2'	
	605.5'	10.3'	10.3'	
	615.7'	10.2'	10.2'	
	616.2'	0.5'	0.4'	
	622.4'	6.2'	6.2'	
	623.0'	0.6'	0.4	
	629.9'	7.5	6.6'	
	631.4	1.5'	0.6	
	637.2'	5.8	5.8	
	641.7	4.5	4.5	
	646.2	4.5	4.3	
	653.0	6.8	2.0	(tube unlatched)

FROM	TO	FT	REC.	
653.0'	660.9'	7.9'	3.2	
	661.5	0.6'	0.2'	
	666.4	4.9'	2.0'	
	667.1	0.7	0.2	
	670.0	2.9'	2.9'	
	675.0	5.0'	5.0'	
	678.4'	3.4	3.4	
	685.2'	6.8	6.8'	
	694.5	9.3	7.2'	
	700.4'	5.9'	0.5	
	701.2	0.8	0.6	
	703.0	1.8	1.8	
	708.4	5.4	5.0	
	718.3	9.9	8.3	
	720.7	2.4	2.4	
	729.5	8.8	8.8	
	738.0	8.5	8.5	
	744.5	6.5	6.5	
	748.2	3.7	3.7	
	757.0	8.8	8.8	
	766.8	9.8	9.8	
	774.9	8.1	8.1	
	779.5	4.6	4.4	
	788.1	8.6	7.7	
	795.1	7.0	5.0	NX
	802.8	7.7'	5.3	BX
	813.7	10.9	10.9'	
	823.0	9.3	8.9	
	833.0	10.0	9.3	
	840.2	7.2	6.5	
	850.9	10.7	10.7	
	854.1	3.2	3.2	
	863.2	9.1	9.1	
	869.0	5.8	5.2	
	879.8	10.8	10.5	
	883.0	3.2	2.3	
	888.0	5.0	3.5	
	890.9	2.9	2.1	
	901.6	10.3	10.3	
	911.3	9.7	9.7	

BY GLB DATE _____ SUBJECT CORE RECOVERY BY RUNS - HOLE #4B SHEET NO. _____ OF _____

CHKD. BY _____ DATE _____ JOB NO. _____

FROM	TO	FT	REC	
911.3'	917.0'	5.7'	5.1'	
	921.4	4.4	4.3	
	926.0	4.6	4.2	
	933.9	7.9	7.9	
	938.8	4.9	4.6	
	942.5	3.7	3.7	
	950.3	7.8	6.6	
	952.0	1.7	1.7	
	956.8	4.6	3.4	
	957.6	0.8	0.2	
	962.8	5.2	5.2	
	963.5	0.7	0.6	
	973.0	9.5	9.5	
	975.6	2.6	2.3	
	986.0	10.4	3.0	(tube bearings out)
	988.6	2.6	1.6	
	993.2	5.6	5.6	
	996.0	2.8	2.1	
	996.3	0.3	0.2	
	997.4	1.1'	0.2	
	1000.0	2.6	1.3	
	1000.9	0.9'	0.3	
	1003.4	2.5	1.6	
	1006.1	2.7	0.3	
	1009.1	3.0	2.3	
	1011.2	2.1	0.9	
	1014.7	3.5	1.9	
	1016.2	1.5	1.4	
	1021.6	5.4	5.4	
	1026.2	4.6	0.9	
	1031.0	4.8	4.2	
	1031.8	0.8	0.3	
	1036.8	5.0	4.5	
	1038.8	2.0	1.9	Bottom

Circ. lost @ 954'. Hole cemented back to 820; caving encountered @ 870; hole recemented. Caving again encountered @ 870; hole continued; circ. maintained only while drilling out cement.

NX casing set to 129'
BX casing set to 795, 350' left in hole from 445' to 795'

BY CLJ DATE SUBJECT ASSAYS - HOLE #4B SPLIT CORE SHEET NO. OF
CHKD. BY DATE JOB NO.

SAMPLE NO.	FROM	TO	FT	REC.	DESCRIPTION	Au	Ag
1048	763.2'	765.0'	1.8'	100%	Bx Tuff, H.W. Delamar F.	0.03	Tr.
1049	765.0'	766.8'	1.8'	100%	" " " " " "	0.04	0.95
1103	921.4'	924.0'	2.6'	86%	Fault Bx, & Microbx, "Iron Dike"	0.04	0.25
1102	924.0'	926.5'	2.5'	92%	" " " " "	0.02	0.20
1100	939.5'	941.0'	1.5	100%	PQI, with comb qtz.	0.11	1.30
1101	941.0'	942.5'	1.5	100%	" " " "	0.01	0.40
1104	957.6'	959.6'	2.0'	100%	PQI, sil, minor comb qtz.	0.11	13.90
1105	972.0'	973.0'	1.0'	100%	PQI, abundant clay	Tr.	0.20
1106	990.0'	991.0'	1.0'	100%	PQI, abundant chlorite, & py.	0.01	0.60
1107	1000.9'	1003.4'	2.5	64%	PQI, sil, with comb qtz.	0.01	0.40
1108	1031.8'	1033.8'	2.0	100%	PQI, sil.	Tr.	0.20

BY G. S. SAMPLING, HOLE NO. 3A, SHEET NO. ____ OF ____

CHKD. BY ____ DATE ____ SPLIT CORE, DELAMAR PROJECT JOB NO. ____

SAMPLE No.	FROM	TO	FEET	REC.	DESCRIPTION	Au	Ag	CHECK ASSAYS Au	CHECK ASSAYS Ag
1016	644.8'	648.7'	—	—	Sludge	Tr.	2.00		
1017	648.7'	650.0'	—	—	"	Tr.	2.20		
1018	644.8'	648.7'	3.9'	15%	Vein, Comb qtz.	Tr.	2.00		
1019	648.7'	650.0'	1.3'	37%	Tuff Bx	Tr.	2.00		
1020	650.0'	652.0'	2.0'	70%	" "	0.01	0.80		
1021	652.0'	654.0'	2.0'	100%	" "	0.015	6.00		
1022	654.0'	656.0'	2.0'	100%	" "	0.01	0.60		
1023	710.0'	712.0'	2.0'	100%	Tuff Bx	Tr.	Tr.		
1024	749.7'	751.7'	2.0'	100%	Tuff	Tr.	2.00		
1042	840.2'	840.8'	0.6'	100%	PQI Bx	Tr.	2.00		
1025	846.0'	848.0'	2.0'	90%	PQI Bx	Tr.	2.00		
1026	848.0'	850.0'	2.0'	95%	" "	0.015	10.00		
1034	850.0'	852.0'	2.0'	100%	" "	0.02	22.00	0.00	21.38
1035	852.0'	854.0'	2.0'	100%	Sil Microbreccia	Tr.	Tr.		
1036	854.0'	856.0'	2.0'	100%	" " "	Tr.	2.00		
1037	856.0'	858.0'	2.0'	100%	" " "	Tr.	Tr.		
1031	858.6'	859.6'	1.0'	100%	Sil Microbreccia	Tr.	0.20		
1043	873.5	875.5'	2.0'	100%	PQI Bx, cemented comb qtz.	Tr.	Tr.		
1032	899.2'	900.2'	1.0'	100%	PQI Bx	Tr.	Tr.		
1044	908.9'	910.0'	1.1'	80%	Vein, comb qtz.	Tr.	Tr.		
1045	910.0'	913.3'	3.3'	80%	" " "	Tr.	6.00		
1038	916.1'	917.4'	1.3'	70%	PQI Bx, with comb qtz.	Tr.	2.00		
1039	917.4'	918.4'	1.0'	30%	" " " " "	Tr.	2.00		
1040	918.4'	921.1'	2.7'	100%	" " " " "	Tr.	2.10		
1033	921.1'	922.1'	1.0'	100%	" " " " "	0.01	10.40	Tr.	7.78
1046	931.5'	932.5'	1.0'	80%	PQI alt, & comb qtz.	Tr.	2.00		
1044A	932.5'	934.2'	1.7'	100%	Comb qtz.	Tr.	1.00		

SAMPLE No.	FROM	TO	FEET	REC	DESCRIPTION	Au	Ag
1030	945.5'	946.5'	1.0'	100%	PQI, with comb qtz.	Tr.	0.40
1029	962.3'	963.3'	1.0'	70%	PQI Bx, with comb qtz.	Tr.	0.20
1028	972.1'	973.1'	1.0'	100%	PQI Bx, with comb qtz.	Tr.	Tr.
1027	973.1'	974.1'	1.0'	100%	" " " "	Tr.	2.20
1041	974.5'	983.0'	8.25	25%	PQI, heavy clay alt.	Tr.	0.80
1109	840.2'	846.0'	—	—	Sludge	0.01	0.80
1110	846.0'	848.8'	—	—	"	0.01	0.80
1111	848.8'	853.0'	—	—	"	0.02	3.50
1112	853.0'	856.6'	—	—	"	0.03	2.80
1113	856.6'	865.1'	—	—	"	0.05	1.65

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SEP 19 1966
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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

RECEIVED OCT 24 1966

INITIAL CODE 210 120 110 120

Docket No. OME-6455
Contract No. M-28-090-2214
Contract Amount $61,360.00
Gov't. Participation 62½ $38,350.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of August 1966

Operator's Name Continental Quicksilver, Inc.
Address 820 S. Ninth St., Box 190, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	-	$ 280.00	$ 280.00			
~~Drifting~~ Mobilization	-	350.00	350.00			
Crosscutting						
Drilling Dia. Core	$5197.05	13,894.80	19,091.85			
Overburden	-	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	258.30	702.80	961.10			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
~~Timber~~ Supplies	280.80	487.80	768.60			
~~Explosives~~ Core boxes	-	242.80	242.80			
~~Pipe~~ Casing	264.00	204.00	468.00			
~~Nail~~ Cementing	-	960.00	960.00			
Surveying	24.00	42.00	66.00			
Assays	57.75	57.75	115.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	6081.90	17,413.05	23,494.95			

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

Date Sept. 15, 1966 *Payee Continental Quicksilver, Inc.

Per C. D. Reynolds Title Gen. Supt.

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 3,801.19

Signature [illegible] (Authorized Certifying Officer)

Date OCT 24 1966 Vou. No. 14X0804 3835

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature D R Macpherson Title Field Officer, Region I Date SEP 30 1966

Approved by OME Executive Officer or Alternate:

Signature D R Macpherson Title Field Officer, Region I Date SEP 30 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

MME FORM 61
SEPT. 1959

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SEP 19 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of August 1966 — Docket No. OME-6455

Operator's Name Continental Quicksilver, Inc. — Contract No. 14-23-090-2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Bulldozing	Hrs	-	20	$ 280.00	—	20	280.00
Mobilization				350.00	—	1	350.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft	738	2746	19,091.85	732	2740	19,091.85
Rotary							
Drilling, Non-core-Diamond							
Overburden Rotary	Ft	-	26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Supplies				768.60			768.60
Core boxes	Ea	-	363	242.80		227	227.00
Casing	Hrs	22	39	468.00	22	39	468.00
Cementing	Hrs	-	80	960.00	—	80	960.00
Surveying	Hrs	2	5.5	66.00	2	5.5	66.00
Incidental	Ft	738	2746	961.10	732	2740	959.00
Other Surface Work Assays	Ea	21	42	115.50	21	42	115.50
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				23,494.95			$ 23,477.05

REMARKS

Drilling: 505' @ 6.90
233' @ 7.35

Cementing limited by 80 hrs. maximum allowed.

Core boxesx thru hole 3A: 18 wooden
227 cardboard

(Continue on back)

REMARKS

Hole 3-A invoiced and approved to 396 ft in July MME-61. August invoice shows 3-A starting at 390 ft.; 6 feet deducted from units claimed for this month.

(over)

(Continue on back)

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

Date Sept. 15, 1966 Operator Continental Quicksilver, Inc.

Per C. S. Reynolds Title Gen. Supt.

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

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

Signature D R Macherson

Title Field Officer, Region I
Government Representative

Date SEP 30 1966

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

12 Approved this month:

Hole 3-A:	104 ft @ 6.90 =	717.60
	250 ft @ 6.90* =	1725.00
	233 ft @ 7.35* =	1712.55
Hole 4-B	129 ft @ 7.35 =	948.15
	16 ft @ 6.90 =	110.40
Acceptable heretofore	732 ft =	5,213.70
Accepted July	2008 ft	13,894.80
	2740	19,108.50

∴ 19,091.85 claimed is approved

* maximum price allowed

13

See note in July MME-61. August Narrative accounts for 227 cardboard core boxes used — wooden core boxes are necessary but not specified. 68 accounted for in narrative report may be reactivated when Amendment is requested and approved

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

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

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

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

JUSTICE CORE DRILLING CO.
Rt. 2, Wildwood St.
Boise, Idaho

Sept. 1, 1966

Continental Materials Corp.
820 South Ninth Street
Grand Junction, Colorado

Billing on Delmar, Idaho drill job, for month of August 1966.

Hole 3-A

Core Drilling;	NX 390 to 500 @ 6.90 per ft.		~~717.60~~ 759.00
	500 to 750 @ 7.35		1837.50
	750 to 983 @ 7.90		1840.70
Cement Time;	103 hrs.	@ $12.00 per hr.	1236.00
Casing Time;	16 hrs.	@ 12.00	192.00
Surveying;	2 hrs.	@ 12.00	24.00
Drill mud;	60 Sacks	@ 3.30	198.00
Cement;	33 sacks	@ 2.00	~~66~~ 66.00
Calcium Chloride;	3 sacks	@ 2.30	6.90

Hole 4-B

Core Drilling;	NC Ø to 129 @ 7.35 per ft.		948.15
	NX 129 to 145 @ 6.90		110.40
Casing;time;	6 hrs.	@ 12.00 per hr.	72.00
Drill Mud;	3 sacks	@ 3.30	9.90
Wooden Core Boxes;	5	@ 3.50 each	17.50
		Total	~~7276.65~~ 7318.05

Leonard S. Justice

Leonard S. Justice
Manager

165 SOUTH WEST TEMPLE ST.

CERTIFICATE OF ASSAY

TELEPHONE WASATCH 1214

BLACK & DEASON

ASSAYERS AND CHEMISTS

G. L. Brooks

SALT LAKE CITY, UTAH. August 18, 1966

Continental Materials Corporation

ASSAY PER TON OF 2000 POUNDS

NAME	NO.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	%
#1013		Trace		Trace	587' - 589'			Split Core	Hole #5		
1014		Trace		2.0	556.4' - 557.7'			Split Core	Hole #1B		
1015		Trace		2.4	558.9' - 563.5'			Split Core	Hole #1B		
1016		Trace		2.0	644.8' -648.7'			Sludge	Hole #3A		
1017		Trace		2.2	648.7' - 650.0'			Sludge	Hole 3A		
1018		Trace		2.0	644.8' - 648.7'			Split Core	Hole 3A		
1019		Trace		2.0	648.7' - 650.0			Split Core	Hole 3A		
1020		0.01		0.8	650.0' - 652.0'			Split Core	Hole 3A		
1021		0.015		6.0	654.0' - 656.0'			Split Core	Hole 3A		
1022		0.01		0.6	656.0 - 658.0'			Split Core	Hole 3A		
1023		Trace		Trace	710.0' - 712.0'			Split Core	Hole 3A		
1024		Trace		2.0	749.7' - 751.7'			Split Core	Hole 3A		
1025		Trace		2.0	846.0' - 848.0'			Split Core	Hole 3A		
1026		0.015		10.0	848.0' - 850.0'			Split Core	Hole 3A		
10											

CHARGES, $ 42.00

Walter Wilkey

165 SOUTH WEST TEMPLE ST.

CERTIFICATE OF ASSAY

TELEPHONE WASATCH 1214

BLACK & DEASON

ASSAYERS AND CHEMISTS

Continental Materials

SALT LAKE CITY, UTAH, August 30, 1966

ASSAY PER TON OF 2000 POUNDS

HOLE 3A

NAME	NO.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	%
#1027		Trace		2.2	973.1 - 974.1		Heavily silicified, ab vis min. free gold?				
1028		Trace		Trace	972.1 - 973.1		Partially " , some " " mostly Py				
1029		Trace		0.2	962.3 - 963.3		Partially to heavily silicified, some vis min.				
1030		Trace		0.4	945.5 - 946.5		Vein qtz. pseudomorphous drusy, vuggy, some vis. min.				
1031 12" core		Trace		0.2	921.1 - 922.1		"PQI". Soft alt. gy. ab clay, sp. vis min. broken				
1032 12" core		Trace		Trace	899.2 - 900.2		"PQI". Partially silic., gn chl., sp vis min.				
Delamar 3A #1033 721-722R 12"		0.01		10.4	858.6 - 859.6		"Iron dike", very similar to 848-850' sample but lacks silicification.				

CHARGES, $ 21.00

H. W. Deason

9/14/66

NARRATIVE REPORT

August, 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

Drilling continued during the month. The 3A drill hole was bottomed at 983 feet. Circulation was maintained in the hole by cementing to a depth of 870 feet. From this point the hole was completed without circulation. Drilling without circulation was slow and difficult but adequate core recovery was maintained by pulling short runs.

On the final run, the inner core barrel would not seat. The driller pulled the drill stem, but when he tried to re-enter the hole he found the hole had caved at around 700 feet. To have continued the hole would have required casing and reduction to NX core size.

Hole 4B was begun on Aug. 28, 1966. This hole is located N 60 E 110 feet from the originally planned 4B location and will be drilled at an angle of -70 degrees. The change in location and angle was made to take advantage of information on the location of the footwall of the DeLamar fault obtained from Holes 5, 1B and 3A.

Hole 4B was plugged to 25 feet and surface casing was set. The hole was then cored NC to 129 feet and cased. Coreing was then continued with NX wire line to 145' where it stood as of Aug. 31, 1966.

Five wooden core boxes were used to contain the larger NC core. The remainder of the core will be placed in the smaller cardboard boxes. Thru Hole 3A we have used 18 wooden boxes and 227 NX cardboard boxes.

The lithlogic log and other geologic data on Hole 3A are attached.

Signed: Jay W. Smith
Jay W. Smith

RECEIVED
SEP 19 1966

Coordinates – East _____ Inclination -50° Date Started 7/21/66

North _____ Bearing N60°E Date Completed 8/29/66

Collar Elevation _____ Logged By BROOKE Drilled By JUSTICE DRILLING CO.

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	% STRUCTURE	%	%	Assay Average	
0'	25.0'			Surface Casing									
25.0'	77.0'			Microbreccia, Rd to Gy-Gn, (Henrietta Fault)	None	Weathered & Oxidized Clay, & FeOx	Abundant		Gen. mass., micro bx. Frac. gen. 30°-40° to axis.				
77.0'	144.0'			Tuff, Gy-Gn to Gy	"	Some weathering, minor oxidization locally. Heavy clay. Minor FeOx. Some py blebs start @ 82'			Mass. to broken. Soft. Broken 116'-125' (Fault arre sp.) Frac. gen. 30°-40° to axis.				
144.0'	199.5'			Tuff, Bx, Gen. Gy.	"	Heavy clay, some sil. Minor qtz. lattice work. Few vugs, qtz. lined with FeOx 154'-160'. Heavy sil. 185'-187', & 194.5'-195'			Gen. mass. Bx & healed, partially with qtz. Frac. gen. 40°-45° to axis. Flow band.? 40° to axis @ 186'. Minor fault 30° to axis @ 187'. Broken 196.5'-199.5'. Fault 30°? to axis @ 199.5'				
199.5'	260.0'			Tuff, Bx, Gy	"	Heavy sil. Minor vugs. Minor FeOx. Some qtz. as stringers, & lining vugs. Some clay. Some fine diss. py, & in qtz. stringers. Heavy FeOx 223'-228'. Water Course @ 245'. Oxidized 251'-253', & 257'-260'			Gen. mass. Bx & healed. Frac. gen. 40° to axis & irregular. Broken 204'-205'. Flow banding? 65° to axis @ 241'. Open frac. 45° to axis @ 215', & 260'.				
[illegible]	313.0'			Tuff, Gy	"	Some clay, minor sil. & FeOx. Some vugs. Some Mn. on frac. Some py, fine diss., & with qtz. as frac. filling.			Gen. mass. Frac. 10°-30° & 60° to axis. Flow banding? 60° to axis. Minor Bx 277'-282', & 305'-307'. Minor fault @ 313'.				
313.0'	416.0'			Tuff, Gy	"	Some clay sil. & FeOx. Few vugs. Minor Mn. on frac. Some fine diss. py. Heavy py as frac. filling 325'-370', 380'-334.5', & 380'-386.5'. Abundant FeOx 328'-334', & 334.5'-339'. Heavy clay 380'-386.5', 412'-416'			Gen. mass. Minor Bx. Strong flow banding, 20° to axis & irregular. Frac. 60° to axis, & irregular. Broken 326'-327', & 380'-386.5'. Banding gen. 40°-50° @ 390'. Bx & healed 380'-386.5', & 404'-408'. Banding 60° to axis @ 40°. Broken 398'-400, 403'-404, 412'-416'				
416.0'	477.0'			Tuff, Gy	"	Some clay & sil. Some qtz. stringers. Some py fine diss., & in qtz. stringers. Few vugs. Heavy clay 436'-477'			Gen. mass., minor Bx locally. Strong flow banding, gen. 60'-70° to axis, & irregular. Frac. 30° & 60° to axis. Bx & healed 425'-431', 436'-438', 456'-477'. Broken 456'-477'				
477.0'	599.0'			Tuff, Bx, Gy	"	Some clay & sil. Some py, fine diss, stringers, & blebs. Heavy py 493.5'-494.5'. Few vugs. Heavy clay 519'-537', 542'-545', 556'-558', 570'-573.5', & 579'-583'.			Gen. broken. Bx. & partially healed. Frac. gen 30° & 60°-70° to axis, & irregular. Banding 60°-70° to axis. Highly broken 570'-573.5', 579'-581'				
599.0'	609.0'			Tuff, Bx, Gy, Dolomite Fault	"	Abundant clay, some sil. Some py fine diss.			Gen. broken, Bx. Frac. 60°-70° to axis & irregular				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. #34

Page 1 of 3

Coordinates – East _____ Inclination _____ Date Started _____
North _____ Bearing _____ Date Completed _____
Collar Elevation _____ Logged By _____ Drilled By _____

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	% STRUCTURE	%	%	Assay Average
609.0'	624.5'			Microbreccia Gy-Wh, Delamar Fault.	None visible	Heavy clay. Abundant py., fine diss.		Microbx. Soft, mass. Few to axis.	frac. gen. 60°			
624.5'	644.8'			Tuff, Bx, Gy with gouge, Delamar Fault.	" "	Some clay & sil. Some py., fine diss. Some comb qtz. in Bx 630'-645'. Abundant py 638'-639'		Bx, gen. broken. Frac. 60° to axis, & irregular. Highly broken 630'-645'				
644.8'	648.7'			Vein, comb qtz.	" "	Minor py. Many voids.		Broken Banding 60° to axis.				
648.7'	654.0'			Bx, Delamar Fault	" "	Some sil & clay. Minor Chlorite. Minor comb qtz. as frac. filling Abundant py, fine diss & blebs		Broken. Bx & partially healed. Frac. 60° to axis, & irregular.				
654.0'	708.5??			Microbreccia, Delamar Fault.	Tr. Sb_2S_3 654'-659'	Heavy clay. Abundant py, mostly fine diss., some blebs.		Microbx. Soft. Frac. 30°-60° to axis. Broken Buttons & chips 654'-708.5' (Poor core).				
708.5??	735.0'			Tuff, Bx, Gy.	None visible	Heavy clay. Abundant py. fine diss., & blebs. Abundant sil. 705.5'-716'. Minor chlorite. Some vugs. 708.5'-711'. Few qtz. pheno.		Mass. to broken. Gen. broken. 708.5'-720' Bx. & healed. Frac. 30° to axis, & irregular.				
735.0'	749.5'			Ditto	" "	Heavy clay. Minor sil. & chlorite Abundant py, fine diss. Few veinlets of comb qtz.		Highly broken. Bx. Soft. Frac. irregular.				
749.5'	815.5'			Tuff, Gy to Gy-Gn, Some Bx	" "	Heavy chlorite & clay locally. Abundant py., fine diss. & blebs. Few vugs. Minor comb qtz. as veinlets, & vug lining 807-815.5'		Mass. to broken. Some coarse bx, Grad banding locally, variable 30°-80° to axis. Frac. variable 30°-80° to axis.				
815.5'	824.5'			Fault, unknown, Bx & Gouge.	" "	Some clay & sil. Minor chlorite Abundant fine diss. py. Few veinlets comb qtz. Heavy clay 822'-824.5'		Broken, Bx, partially healed. Frac. 40° to axis, & irregular 60° to axis. Gouge 822'-824.5'				
824.5'	853.0'			PQI, Bx	Minor Sb_2S_3 ?? 846'-852'	Heavy sil. Abundant py, fine diss. & blebs. Qtz. pheno. Abundant Chlorite locally. Some comb qtz. Cementing Bx @ 828'-831', & 846', 852'. Heavy clay 839'-839.5', & 840.5'-842.0'		1% Mass. to broken. Occasional Bx. Few bands microbx. Broken 831'-837', 847'-853'. Frac. gen. 40°, & 60° to axis.				

Drill Hole Log
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

Hole No. 34
Page 2 of 3

Coordinates – East _____ Inclination _____ Date Started _____
North _____ Bearing _____ Date Completed _____
Collar Elevation _____ Logged By _____ Drilled By _____

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	%	%	%	Assay Average
								STRUCTURE				
853.0'	865.5'			Fault unknown, "iron dike", microbreccia	None visible	Heavy clay. Abundant py., fine diss., & blebs. Some Chlorite.		Micro bx., with occ. large frag. Mass. to broken. Broken 867.5'-865. Banding & few frac. 50°-70° to axis.				
865.5'	885.5'			PQI, with veinlets of comb qtz.	" "	Some sil & chlorite. Some Clay locally. Veinlets of comb qtz. to 6". Abundant py, fine diss. and on frac. Few vugs.		Mass. to broken. Minor bx. Veinlets & frac. 30°-50° to axis, & irregular. Broken 867.5'-868.3', 871.5'-872.5', & 877.5'-878'				
885.5	909.0'			PQI Bx	" "	Some sil. Abundant chlorite locally. Bx largely cemented with comb qtz. 885.5-893'. Few vugs.		Mass. to broken. Bx partially cemented. Frac. 30°-50° to axis, & irregular. Gen. broken 885.5'-887.5', & 903.5'-906.5'				
909.0'	913.0'			Vein, comb qtz.	Tr. Sb_2S_3? Tr. $CuCO_3$, & $CuSO_4$.	Some clay. Vuggy.		Mass. to broken.				
913.0'	931.5'			PQI Bx, some comb qtz. veinlets.	None visible	Some sil, & clay. Abundant py., mostly fine diss. Bx cemented with comb qtz. Comb qtz. 829.5-830.5'		Mass. to broken. Bx, partially cemented with comb qtz. Frac. irregular. Broken 814'-816', & 829'-831'.				
931.5'	934.0'			Vein comb qtz., with PQI inclusions	Some $CuCO_3$, & $CuSO_4$.	Some clay. Vuggy		Mass. to broken.				
934.0'	983.0'			PQI Bx few comb qtz. veinlets. Comb qtz. 945'-946'	Tr. $CuCO_3$, & $CuSO_4$ @ 936', & 953'	Some sil & clay. Heavy sil, or clay locally. Abundant py., fine diss., & as blebs. Some comb qtz. veinlets to 1.0'. Heavy clay 950'-953.5' 960'-962'. Heavy sil 973'-975'		Gen mass. Frac. 40°-60° to axis, & irregular.				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. 3H
Page 3 of 3

BY GAS DATE SUBJECT SAMPLING, HOLE NO. 5, SPLIT CORE, DELAMAR PROJECT SHEET NO. OF
CHKD. BY DATE JOB NO.

SAMPLE No.	FROM	TO	FEET	REC.	DESCRIPTION	Au	Ag
1016	644.8'	648.7'	—	—	Sludge	Tr.	2.00
1017	648.7'	650.0'	—	—	"	Tr.	2.20
1018	644.8'	648.7'	3.9'	15%	Vein, Comb qtz.	Tr.	2.00
1019	648.7'	650.0'	1.3'	37%	Tuff Bx	Tr.	2.00
1020	650.0'	652.0'	2.0'	70%	" "	0.01	0.80
1021	652.0'	654.0'	2.0'	100%	" "	0.015	6.00
1022	654.0'	656.0'	2.0'	100%	" "	0.01	0.60
1023	710.0'	712.0'	2.0'	100%	Tuff Bx	Tr.	Tr.
1024	749.7'	751.7'	2.0'	100%	Tuff	Tr.	2.00
1042	840.2'	840.8'	0.6'	100%	PQI Bx	Tr.	2.00
1025	846.0'	848.0'	2.0'	90%	PQI Bx	Tr.	2.00
1026	848.0'	850.0'	2.0'	95%	" "	0.015	10.00
1034	850.0'	852.0'	2.0'	100%	" "	0.02	22.00
1035	852.0'	854.0'	2.0'	100%	Sil. Microbreccia	Tr.	Tr.
1036	854.0'	856.0'	2.0'	100%	" " "	Tr.	2.00
1037	856.0'	858.0'	2.0'	100%	" " "	Tr.	Tr.
1031	858.6'	859.6'	1.0'	100%	Sil Microbreccia	Tr.	0.20
1043	873.5	875.5'	2.0'	100%	PQI Bx, cemented comb qtz.	Tr.	Tr.
1032	899.2'	900.2'	1.0'	100%	PQI Bx	Tr.	Tr.
1044	908.9'	910.0'	1.1'	80%	Vein, comb qtz.	Tr.	Tr.
1045	910.0'	913.3'	3.3'	80%	" " "	Tr.	6.00
1038	916.1'	917.4'	1.3'	70%	PQI Bx, with comb qtz.	Tr.	2.00
1039	917.4'	918.4'	1.0'	30%	" " " " "	Tr.	2.00
1040	918.4'	921.1'	2.7'	100%	" " " " "	Tr.	2.10
1033	921.1'	922.1'	1.0'	100%	" " " " "	0.01	10.40
1046	931.5'	932.5'	1.0'	80%	PQI alt, & comb qtz.	Tr.	2.00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tr.	[illegible]

SAMPLE No.	FROM	TO	FEET	REC	DESCRIPTION	Au	Ag
1030	945.5'	946.5'	1.0'	100%	PQI, with comb qtz.	Tr.	0.40
1029	962.3'	963.3'	1.0'	70%	PQI Bx, with comb qtz.	Tr.	0.20
1028	972.1'	973.1'	1.0'	100%	PQI Bx, with comb qtz.	Tr.	Tr.
1027	973.1'	974.1'	1.0'	100%	" " " " "	Tr.	2.20
1041	974.5'	983.0'	8.25	25%	PQI, heavy clay alt.	Tr.	0.80

BY: G.W.B. DA.

CHKD. BY DATE

CORE RECOVERY BY RUNS, HOLE 3A

NO. OF

JOB NO.

FROM	TO	FT.	CORE	
25.0'	35.0'	10.0'	10.0'	
	46.5'	11.5'	9.1'	
	55.5	9.0'	7.6'	
	62.5'	7.0'	7.0'	
	72.7'	10.2'	10.2'	
	82.8'	10.1'	10.1'	
	93.0'	10.2'	10.2'	
	103.0'	10.0'	7.2'	
	108.0'	5.0'	5.0'	
	115.5'	7.5'	0.9'	Faulty core spring
NC	125.5'	10.0'	3.0'	Ditto
NXWL	135.8'	10.3'	10.3'	
	146.1'	10.3'	10.3'	
	156.2'	10.1'	10.1'	
	162.5'	6.3'	6.3'	
	172.7'	10.2'	10.2'	
	179.8'	7.1'	7.1'	
	187.3'	7.5'	7.2'	
	196.5	9.2'	9.2'	
	199.5'	3.0'	2.3'	
	205.2'	5.7'	3.1'	
	215.5	10.3'	10.3'	
	225.6'	10.1'	10.1'	
	235.7'	10.1'	10.1'	
	246.0'	10.3'	10.3'	
	256.2'	10.2'	10.2'	
	266.3'	10.1'	10.1'	
	275.0'	8.7'	8.7'	
	284.0'	9.0'	9.0'	
	294.2'	10.2'	10.2'	
	304.2'	10.0'	10.0'	
	314.3'	10.1'	10.1'	
	324.2'	9.9'	9.9'	
	328.0'	3.8'	3.8'	
	335.8'	7.8'	7.6'	
	345.3'	9.5	9.5	
	352.4'	7.1'	6.7'	
	353.0'	0.6'	0.6'	
	361.0'	8.0'	8.0'	

FROM	TO	FT.	CORE	
361.0'	366.5'	5.5'	5.5'	
	375.3'	8.8	8.8'	
	381.6'	5.3'	5.3'	
	386.5'	4.7'	3.6'	
	392.8'	6.3'	6.0'	
	395.9'	3.1'	2.8'	
	399.8'	3.9'	3.9'	
	404.0'	4.2'	3.9'	
	407.7'	3.7'	3.7'	
	411.8'	4.1'	4.1'	
	418.3'	6.5'	6.5'	
	426.0'	7.7'	7.2'	
	436.2'	10.2'	10.2'	
	446.3'	10.1'	10.1'	
	456.3'	10.0'	10.0'	
	458.0'	1.7'	1.7'	
	466.3'	8.3'	8.3'	
	470.7'	4.4'	4.2'	
	475.8'	5.1'	4.8'	
	477.2'	1.4'	1.4'	
	484.2'	7.0'	7.0'	
	488.5'	4.3'	4.3'	
	493.4'	4.9'	4.9'	
	498.1'	4.7'	4.3'	
	503.2'	5.1'	2.2'	(Faulty Core sp.)
	513.3'	10.1'	10.1'	
	523.5'	10.2'	10.2'	
	528.5'	5.0'	4.5'	
	532.5'	4.0'	3.2'	
	536.3'	3.8'	3.8'	
	544.0'	7.7'	7.2'	
	552.0'	8.0'	8.0'	
	560.0'	8.0'	8.0'	
	562.4'	2.4'	2.0'	
	571.0	8.6'	8.6'	
	573.2'	2.2'	2.0'	
	579.4	6.2'	6.2'	
	580.0'	0.6'	0.3'	
	583.1'	2.1'	2.1'	

FROM	TO	FT.	REC.	
583.1'	585.7'	2.6'	2.6'	
	590.0'	4.3'	4.3'	
	596.5'	6.5'	6.5'	
	600.1'	3.6'	3.6'	
	601.4'	1.3'	1.0'	
	604.8'	3.4	3.4'	
	608.5'	3.7'	3.7'	
	619.1'	10.6'	10.6'	
	626.5'	7.4'	7.4'	
	630.5'	4.0'	4.0'	
	634.4'	3.9'	3.7'	
	636.1'	1.7'	1.2'	
	637.2'	2.8'	0.9'	
	641.3'	4.1'	4.1'	
	644.8'	3.5'	3.3'	
	648.7'	3.9'	0.6'	
	650.0'	1.3'	0.4'	
	652.0'	2.0'	1.4'	
	659.7'	7.7'	7.7'	
	662.7'	7.4'	7.2'	
	680.5'	10.4'	10.4'	
	690.8'	10.3'	10.3'	
	695.0'	4.2'	1.8'	(bent shoe)
	700.1	5.1'	0.1'	(Wash)
	702.6'	2.5'	0.0'	"
	703.6'	1.0'	0.4'	"
	705.8'	2.2'	0.0'	"
	708.5'	2.7'	0.0'	
	716.6'	8.1'	7.9'	
	724.4'	7.8'	7.8'	
	734.2'	9.8'	9.8'	
	740.5'	6.3'	6.3'	
	744.2'	3.7'	3.3'	
	746.5'	2.3'	1.9'	
	749.7'	3.2'	3.2'	
	757.4'	7.7'	7.7'	
	766.5'	9.1'	9.1'	
	770.5'	4.0'	4.0'	
	775.9'	3.9'	1.8'	

BY_____ D. _____ NO._____ OF_____

CHKD. BY_____ DATE_____ JOB NO._____

FROM	TO	FT.	REC.
778.4'	781.0'	2.6'	2.6'
	786.3'	5.3'	1.6'
	788.5'	2.2'	2.2'
	791.6'	3.1'	2.7'
	798.0'	6.4'	6.4'
	807.0'	9.0'	9.0'
	812.6'	5.6'	5.6'
	816.0'	3.4'	3.1'
	823.1'	7.1'	7.1'
	831.1'	8.0'	7.2'
	833.8'	2.7'	1.5'
	835.6'	2.8'	2.8'
	838.5'	2.9'	2.9'
	840.2'	1.7'	1.4'
	846.0'	5.8'	5.8'
	848.0'	2.0'	1.8'
	848.8'	0.8'	0.7'
	853.0'	4.2'	4.2'
	863.0'	10.0'	10.0'
	865.0	2.0'	2.0'
	868.3	3.3'	2.7'
	872.6	4.3'	4.3'
	874.6'	2.0'	2.0'
	878.1'	3.5'	2.8'
	882.7'	4.6'	4.3'
	886.3'	3.6'	3.6'
	896.3'	10.0'	9.8'
	899.2'	2.9'	2.8'
	901.5'	2.3'	2.3'
	904.5'	3.0'	2.8'
	906.4	1.9'	1.9'
	908.9'	2.5	2.5'
	910.0'	1.1'	0.7'
	913.3'	3.3'	2.7'
	916.1'	2.8'	1.9'
	917.4'	1.3'	1.3'
	918.4'	1.0'	0.3'
	921.1'	2.8'	2.8'
	922.1'	1.0'	0.7'
	923.8'	1.9'	1.3'

FROM	TO	FT.	REC.
924.0'	928.0'	4.0'	4.0'
	931.0'	3.0'	2.8'
	932.5'	1.5'	1.1'
	935.6	3.1'	3.1'
	936.2'	0.6'	0.5'
	937.9'	1.7'	1.4'
	938.1'	0.2'	0.2'
	939.0'	0.9'	0.6'
	941.8'	2.8'	2.8'
	947.0'	5.2'	5.2'
	949.8'	2.8'	2.5'
	952.2'	2.4'	2.4'
	953.6'	1.4'	1.4'
	959.5'	5.9'	5.9'
	962.4	2.9'	2.9'
	963.1'	0.7'	0.5'
	967.5'	4.4'	4.0'
	969.4'	1.9'	1.5'
	970.9'	1.5'	1.5'
	973.1'	1.2'	1.2'
	983.0'	9.9'	2.0' (tube unlatched)

1. Circ. lost at 245'
2. Hole cemented at 361', circ. recovered.
3. Hole cemented at 636'
4. " " " 865'

Surface casing set at 25'
NX casing set at 125.5', then advanced to 149.5'

EASTMAN OIL WELL SURVEY COMPANY

EASTMAN DIRECTIONAL DRILLING INSTRUMENTATION

"Symbol of Service"

SHEET 1

COMPANY CONTINENTAL QUICKSILVER, Inc. JOB NO. _____ DATE July-Aug, 1966

WELL No. 3A FIELD CREW BROOKE

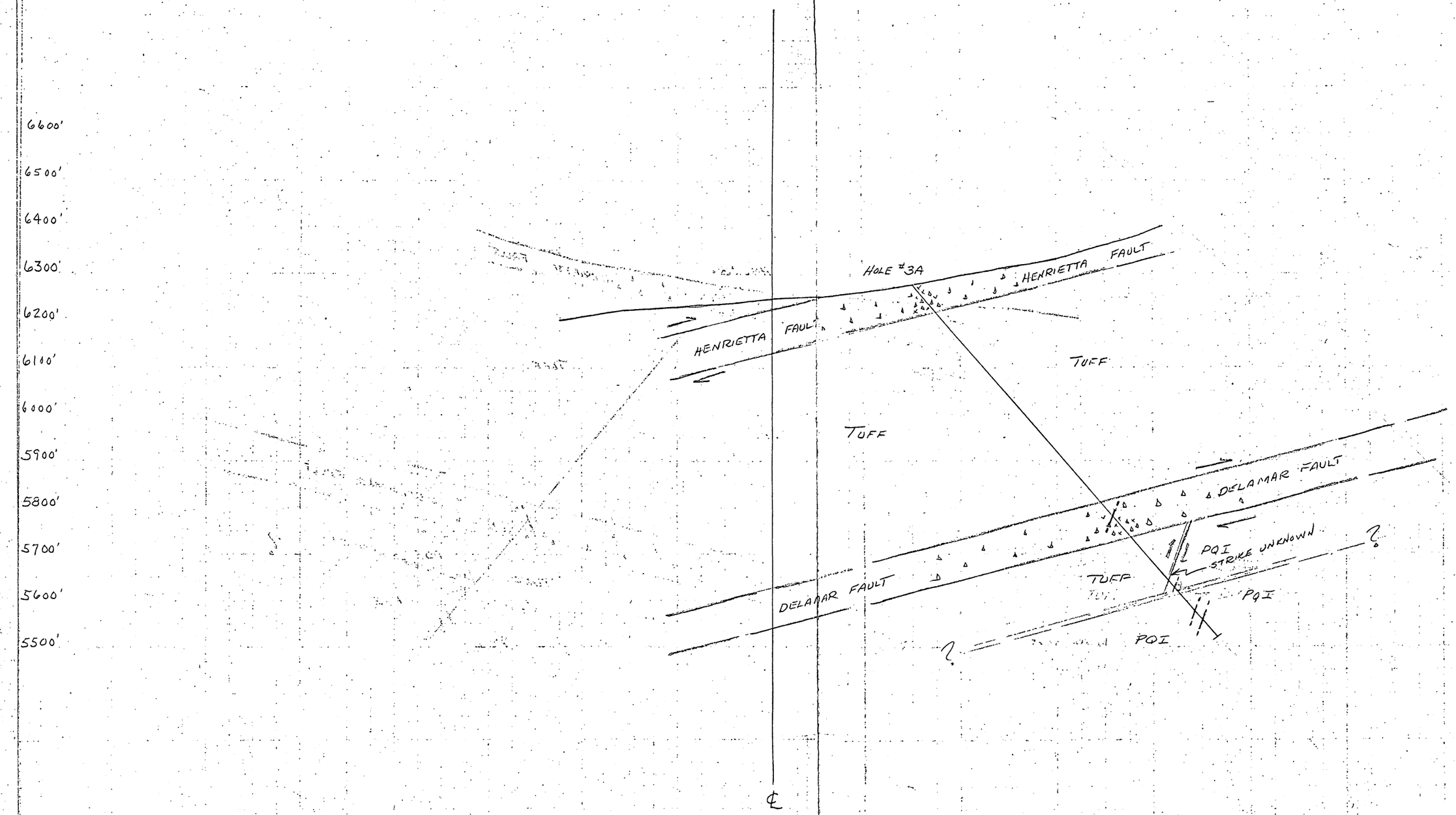
LOCATION DELAMAR PROJECT DISTRICT _____ COMPUTATIONS _____ FILM _____

TYPE OF SURVEY SINGLE SHOT M S _____ UNIT _____ BBL _____

STA. NO.	MEASURED DEPTH	COURSE LENGTH	DRIFT ANGLE	VERTICAL DEPTH	TRUE VERTICAL DEPTH	COURSE DEV.	DRIFT DIRECTION	COORDINATE DIFFERENCES NORTH	SOUTH	EAST	WEST	RECTANGULAR COORDINATES NORTH	SOUTH	EAST	WEST
1	200	N58°E	-51°												
2	400	N59°E	-51°												
3	600	N58°E	-52.5°												
4	800	Not surveyed — hole caved													

C-315 R 1

BY SZ-B DATE SUBJECT SECTION @ DELAMAR
CHKD. BY DATE GEOLOGY, OWYHEE CO., IDAHO
Scale: 1" = 200'
SHEET NO. OF
JOB NO.



PHONE

CONTINENTAL MATERIALS CORPORATION

[redacted]

820 SOUTH NINTH STREET P. O. BOX 190 GRAND JUNCTION, COLORADO 81502

October 28, 1966

OFFICIAL COPY
U. S. G. S.
RECEIVED
1966
INITIALS | CODE
120
110
HR 120

D. R. MacLaren, Field Officer
United States Department of the Interior
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

The original and two copies of Amendment No. 1 have been signed by Mr. Reynolds on behalf of Continental Quicksilver, Inc. and are returned herewith.

Very truly yours,
CONTINENTAL QUICKSILVER, INC.

/s/ V. R. Gray
V. R. Gray
Office Manager

VRG/ds
Incls.

RECEIVED
OCT 31, 1966

PHONE: (312) 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

October 27, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 31 1966
INITIALS | CODE
~~120~~
~~110~~
~~120~~
120

United States
Department of the Interior
Office of Minerals Exploration
Washington, 25, D.C.

RE: OME Northern Continental

Gentlemen:

We are pleased to announce that as of November 14, 1966, our new offices will be located at 72 West Adams Street, Chicago, Illinois, 60603. Our telephone number will be (312) 332-0422.

May we ask that you change your records to reflect the above information.

Thank you.

Very truly yours,
CONTINENTAL MATERIALS CORPORATION

Melvin Pollack

Melvin Pollack, Ass't. Secretary

/vh

OME 6236 & 6455

Copy sent to:
Budget & Finance
Reg. I
Copy for DMEA 6236
M
11/1/66

Ome

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 21, 1966

OFFICIAL COPY

gla 120 M
110
HK 120

Air Mail

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

Enclosed are the original and three copies of a proposed Amendment No. 1 (one page), signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
Voucher File
MacLaren

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/17	Kirkemo	120
"	Johnson	110
10/19	Kildgaard	220
10/19	Meyer	
		110
10/19	Col	220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

In reference to your memorandum of October 3, 1966, enclosed are the original and three copies of proposed Amendment No. 1 (one page), signed for the Government. An extra copy is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed in the usual manner.

The provision for approval by the Government of changes in the plan of work is retained in the contract, and, as in the past, you will continue to confirm in writing any changes in the plan that are in the best interests of the Government.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

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

HKirkemo/gla 10-17-66

23263

E FORM 6
2-59

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
1.	~~Assoc. Sol., MR, Rm. 6554~~ ~~Through Rm. 6042~~		
2.	Mr. Kirkemo, Rm. 4459	10/17/66	HJC
3.			
4.			
5.			
FROM:	Chief, OME		

FOR: Check items for action desired

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

REMARKS:
FROM SOLICITOR

10-13-66 B-66-2018.11

FOR SIGNATURE INTERIOR DEPT.
OCT 12 1966
SOLICITOR

RECEIVED
OCT 12 1966
Division of Mineral Resources
General Legal Services

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

M56300-62

20 hegel 10/11

120 HR

~~110~~ K/

120M

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

AMENDMENT NO. 1

It is agreed this _____ day of October 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Continental Quicksilver, Inc., hereinafter called the "Operator," that Exploration Contract 2214 (OME-6455), dated February 28, 1966, is amended effective the date of the contract as follows:

1. In Exhibit A, under the heading General Provisions, the third paragraph on page 2 is revised to read as follows:

"The location, direction, and extent of each work item shall be subject to Government approval."

2. In Exhibit A, under the heading Estimated Costs of the Project, Actual Costs, Category (1) Independent Contracts, the second item on page 5 is revised to read as follows:

Drill core boxes	$500.00
Cardboard @ $1.00/each	
Wood @ $3.50/each	

This amendment shall not be construed to change the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

CONTINENTAL QUICKSILVER, INC.

By_____

Title_____

One (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 3, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 5 1966
INITIALS | CODE
120m
110
120K

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Interim Inspection Report
OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

On the morning of September 26, 1966, I met Mr. Gerald L. Brooke, geologist for the Operator, and after discussing the contract and stuyding sections, we looked at parts of the drill cores.

Hole 3A was completed at a depth of 983 feet. A section in the plane of this hole accompanied the August monthly report which has been forwarded. A sample taken in the DeLamar fault from 652 - 654 feet assayed 0.015 ounce gold and 6.0 ounces silver per ton. One taken in a high angle pre-DeLamar fault from 848 - 852 feet assayed 0.01 ounce gold and 16.0 ounces silver per ton. Two other samples, one taken from 910 - 913 feet, the other from 918 - 922 feet, assayed, respectively, Tr gold and 6.0 ounces silver per ton and Tr gold and 4.0 ounces silver per ton. The last two samples were of quartz porphyry that contained veinlets of pyrite.

By the three-point method, Brooke determined that the DeLamar fault is flatter than formerly reported. He finds that it strikes S. 80° E. and dips 24° S. Accordingly, he has moved the collar of Hole 4B 110 feet N. 60° E. from the location indicated in the contract and in order to get a better intersection and shorten the hole, it will be drilled at -70°. The 16 ounce silver assay justifies drilling this hole.

Two points were raised concerning contract specifications. On page 2 of Exhibit A the third paragraph requires prior approval for the location, direction, and extent of each work item, but on page 3 the next to last paragraph may be interpreted as giving the Operator the discretion to drill or not to drill, and to move Holes 3B, 4A, 4B, 6A and 6B. Brooke is a thoroughly competent geologist and neither he nor the company have any desire to spend money needlessly. It is therefore recommended that the word "prior" be deleted from the above-cited paragraph.

It has been necessary to use wooden core boxes for the NC core, but the contract provides only for cardboard boxes. A cardboard box will hold approximately 10 feet of core and a wooden box will hold approximately 20 feet. It is recommended that the second item on page 5, Exhibit A, be amended to read: "Wooden core boxes at $3.50 each and/or cardboard core boxes at $1.00 each - $500.00*" maximum. This will not change the total cost of core boxes or the contract.

D. R. MacLaren

D. R. MacLaren

Distribution:
OME(Orig.&1)
Docket
MacLaren
Voucher File

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	10/5/66	
Re: OME-6455 (Gold-Silver)		
2. Continental Quicksilver, Inc.		
DeLamar Mine		
3. Owyhee County, Idaho		
Contract 2214		
4. MLS		
M. L. Smelser for		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: The attached Thermo-Fax copies of a letter dated 10/3/66 from the above-cited company are being sent to you. In view of Mr. MacLaren's Work Authorization and Interim Inspection Report dated 10/3/66 and the recommendation for an amendment to this contract, I'm not sure if an immediate reply is necessary or if it is simply informational.

INT.-DUP. SEC., WASH., D.C. M56300-62

Area Code 303
Chapel 3-2100

CONTINENTAL MATERIALS CORPORATION

420 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

October 3, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 1966
CODE
120
110
HRI

Mr. D. R. MacLaren
U. S. Department of the Interior
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6455
Contract 2214
DeLamar Mine
Owyhee Co., Idaho

Dear Mr. MacLaren:

We are spotting our next drill hole on the #3A drill site. This hole will be drilled on the same bearing at -70°. This will give us two intersections in the same section, approximately 250 feet apart at the footwall of the DeLamar Fault. We hope that it will give us a clearer picture of the faulting below the DeLamar, that forms the contact between the tuff and the porphyry.

We expect to hit the footwall of the Henrietta Fault at 70 feet, and the footwall of the DeLamar Fault at 650 feet. If possible the hole should go to around 1,000 feet.

This hole will be designated #3B.

Sincerely yours,

C. H. Reynolds

C. H. Reynolds
Vice President
General Manager

RECEIVED
OCT 5 1966
OME

CHR/da

Area Code 303
Phone: Chapel 3-2100

CONTINENTAL MATERIALS CORPORATION

420 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

October 3, 1966

Mr. D. R. MacLaren
U. S. Department of the Interior
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6455
Contract 2214
DeLamar Mine
Owyhee Co., Idaho

Dear Mr. MacLaren:

We are spotting our next drill hole on the #3A drill site. This hole will be drilled on the same bearing at -70°. This will give us two intersections in the same section, approximately 250 feet apart at the footwall of the DeLamar Fault. We hope that it will give us a clearer picture of the faulting below the DeLamar, that forms the contact between the tuff and the porphyry.

We expect to hit the footwall of the Henrietta Fault at 70 feet, and the footwall of the DeLamar Fault at 650 feet. If possible the hole should go to around 1,000 feet.

This hole will be designated #3B.

Sincerely yours,

C. H. Reynolds

C. H. Reynolds
Vice President
General Manager

CHR/ds

PHONE: One 3

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION COLORADO 81502

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 3 1986
INITIALS CODE
120 M
~~110~~
HR ~~120~~ R

September 15, 1986

U. S. Department of the Interior
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

RE: OME-6455
Contract 2214
DeLamar Mine
Owyhee Co., Idaho

Attention: Mr. D. R. MacLaren

Gentlemen:

Enclosed are the original and three copies of Operator's Monthly Voucher and Operator's Progress Report with invoices attached, and of the narrative report for the month of August.

Very truly yours,

CONTINENTAL QUICKSILVER, INC.

Wm. R. Gray
Office Manager

WRG/ds
Encls.

RECEIVED
SEP 19 1986
OMS

Ome (2.)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 3, 1966

OFFICIAL COPY
G. M. R.
RECEIVED
OCT 5 1966
INITIAL COPY
120 m
JRO
HK 120 K

Air Mail

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: Work Authorization
OME-0455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

This will confirm oral authorization given to Mr. Gerald L. Brooke to drill Hole 4B from a drill station about 110 feet N. 60° E. of the location of this hole shown on figure 1 accompanying the contract.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME(2)
Voucher File
MacLaren

Director's Reading File

MME FORM 60
SEPT. 1959

RECEIVED
AUG 26 1966
O.M.E.

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 1966
INITIAL/CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6455
Contract No.
14-23-090- 2214
Contract Amount $ 61,360.00
Gov't. Participation % 62½ $38,350.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of July 1966

Operator's Name Continental Quicksilver, Inc.
Address 820 So. Ninth St., P. O. Box 190, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	-	$ 280.00	$ 280.00			
~~Rotary~~ Mobilization	-	350.00	350.00			
Crosscutting						
Drilling Dia. Core	4359.00	9535.80	13,894.80			
Overburden	-	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	219.10	483.70	702.80			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
~~Xxxx~~ Supplies	104.20	383.60	487.80			
~~Xxxxxx~~ Coreboxes	5.00	242.80	247.80			
~~Xxxx~~ Casing	60.00	144.00	204.00			
~~Xxx~~ Cementing	546.00	414.00	960.00			
Surveying	12.00	30.00	42.00			
Assays	-	57.75	57.75			
(4) Operating Equipment:						
Rental						
Purchase	Note:	Core 538' @ 6.90				
Depreciation		88' @ 7.35				
(5) Initial Rehab. & Repairs:		Cementing limited to max. allowable.				
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	5305.30	12,112.75	17,418.05			

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

Date Aug. 24, 1966 *Payee Continental Quicksilver, Inc.

Per C. V. Reynolds Title General Supt.

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 3312.69

Signature 14X0804
(Authorized Certifying Officer)

Date SEP 8 1966 Vou. No. 2074

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature D R MacKaren Title Field Officer, Region I Date AUG 30 1966

Approved by OME Executive Officer or Alternate:

Signature D R MacKaren Title Field Officer, Region I Date AUG 30 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

MME FORM 61
SEPT. 1959

RECEIVED
AUG 26 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of July 1966 — Docket No. OME-6455

Operator's Name Continental Quicksilver, Inc. — Contract No. 14-23-090-2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Bulldozing	Hrs.	-	20	$ 280.00	—	20	280.00
Mobilization				350.00	—	1	350.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft.	626	2008	13,894.80	626	2008	13,894.80
Rotary							
Drilling, Non-core-Diamond							
Overburden	Ft.	-	26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Supplies				487.80	—	—	487.80
Coreboxes	Ea.	5	368	247.80	-1	363 1	242.80 1
Casing	Hrs.	5	17	204.00	5	17	204.00
Cementing	Hrs.	50.5	80	960.00	50.5	80	960.00
Surveying	Hrs.	1	3.5	42.00	1	3.5	42.00
Incidental	Ft.	626	2008	702.80	626	2008	702.80
Assays	Ea.	-	21	57.75	—	21	57.75
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$ 17,418.05			17,413.05

REMARKS

Cementing limited by 80 hrs maximum allowable.

Core drilling: 538' @ 6.90
88' @ 7.35

(Continue on back)

REMARKS

1 Previously approved 13 wooden and 350 cardboard core boxes. At 20' per wooden box and 10' per cardboard box, capacity already approved for 3,700' of core. Total feet of hole core-drilled 1,630 or only 44% capacity of boxes approved (over)

(Continue on back)

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

Date Aug. 24, 1966 Operator Continental Quicksilver, Inc.

Per C. L. Reynolds Title General Supt.

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

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

Signature [illegible]

Title Field Officer, Region I
Government Representative

Date AUG 30 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

No more core boxes will be approved until operator accounts for the ones actually used.

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

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

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

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

Continental Quicksilver, Inc.
820. S. Ninth St., P.O.Box 190,
Grand Junction, Colo.

~~$58~~,$5,305.30 $5.00 $5,300.30

$3,312.69 Govt. Share

OMB # 6455
Contract # 2214 July, 1966

Coreboxes $5.00

Field officer indicates no more core boxes will be approved until operator accounts for the ones actually used.

E. Gibson

JUSTICE CORE DRILLING CO.
Rt. 2, Wildwood St.
Boise, Idaho

August 1, 1966

Continental Materials Corp.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado

Billing on Delmar, Idaho drill job for Month of July 1966.

Core Drilling hole # 1-B

NX 608 to 750	142 ft. @ 7.35 per ft.	$1043.70
750 to 838	88 ft. @ 7.90	695.20
Casing time 2 hrs. Cement time 25.5 hrs. and Surveying time of 1 hr.	@ $12.00 per hr.	342.00
14 sacks of cement	@ 2.00 per sack	28.00
3 sacks of Calcium chloride	@ 2.30 per sack	6.90
	Total	2115.80

Hole # 3-A

Core Drilling: NC 0 to 125.5 @ 7.35 per ft.	922.42
NX 125.5 to 396 @ 6.90 per ft.	1866.45
Casing time; 3 hrs.; Cement time 25 hrs. @ 12.00 per hr	336.00
8 sacks of drill mud @ 3.30 per sack	26.40
18 sacks of cement @ 2.00 per sack	36.00
3 sacks of calcium chloride @ 2.30 per sack	6.90
5 wooden core boxes @ 3.50 each	17.50
	3211.67
Total Billing	5327.47

Leonard S. Justice
Leonard S. Justice
Manager

CONTINENTAL MATERIALS CORP. GRAND JUNCTION

ACCOUNT	AMOUNT
205-12	5327.47

APPROVED BY CSK

okay GLB 4/25-04

8/22/66

NARRATIVE REPORT

July 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

Drilling continued during the month. The No. 1B drill hole was completed at 838 feet. The hole entered a fault zone below the "77" vein system, where the rods were stuck. They were finally backed-off leaving the bit, barrel and 20 feet of rod in the hole.

Many difficulties were encountered in the lower part of this hole. Large open fractures were found below the DeLamar Fault. Not only was it impossible to maintain circulation but impossible to keep water in the hole, and therefore cement could not be retained. The permanent water table was apparently reached at 770 feet (more or less 600 feet vertically), as water stood in the hole from that depth to the bottom. Core recovery in the vein system was very poor as you will note from the drill log.

The vein material is largely pseudomorphic "comb" quartz, with varying amounts of wall rock inclusions and many voids, open fractures, etc. Except in its most massive form, it crumbles from the weight of the drill stem.

The No. 3A drill hole has been started and it stood at 396 feet at month end. The collar of this hole is about 200 feet lower in elevation than the 1B hole. It is hoped that the water table will be encountered above the footwall of the DeLamar Fault. If this proves to be true there should be a much better chance to maintain circulation throughout the target area, and even if core recovery is not greatly improved we should at least be able to save sludge samples.

The lithlogic log, core recovery report and other geologic data on hole 1B were submitted last month. Drill log and geologic data on 3A will be submitted upon completion of the hole.

Signed: C. H. Reynolds
C. H. Reynolds

RECEIVED
AUG 26

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 24, 1966

OFFICIAL COPY
O. H. E.
RECEIVED
AUG 26 1966
INITIALS | CODE
120
110
120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Interim Inspection Report
OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho
Contract 2214

The project was visited July 23, 1966, and the drilling was discussed briefly with Leonard S. Justice, Drill Contractor. Holes 5 and 1-B had been completed to depths of 800 feet and 838 feet, respectively. Hole 3-A had just been started and was down 65 feet in a wet sticky clay.

In the absence of G. L. Brooke, Geologist-Supervisor, the cores were not available; they are stored in Jordan Valley.

D. R. MacLaren

D. R. MacLaren

Distribution:
OME(Orig.&1)
Docket
MacLaren

PHONE (Mac(2))

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET P. O. BOX 190, GRAND JUNCTION, COLORADO 81501

August 12, 1966

FEG 120 MS
~~110~~
on lease 130K

Mr. D. R. MacLaren
Field Officer, OME, Region I
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Contract 2214

Dear Mr. MacLaren:

We are sorry that the drill core logs, drill core recovery report and the drill hole survey report did not have complete copies when submitted with our June report.

We enclose the original and three complete copies of each, and hope this oversight has not caused you undue inconvenience.

Very truly yours,

/S/ Wm. R. Gray
Wm. R. Gray
Office Mgr.

c/da
Encls.

RECEIVED
AUG 15 1966

MME FORM 60
SEPT. 1959

RECEIVED AUG 8

OFFICIAL FILE COPY O. & E. RECEIVED AUG 25 1966 INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6455
Contract No. 14-23-090-2214
Contract Amount $ 61,360.00
Gov't. Participation %62½ $38,350.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER For Month of June

Operator's Name Continental Quicksilver, Inc.
Address 820 S. Ninth St., P.O. Box 190 Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and		As Corrected				
(1) Independent Contracts:						
Bulldozing	-	$ 280.00	$ 280.00			
~~xxxx~~ Mobilization	-	350.00	350.00			
Crosscutting						
Drilling Diamond Core	$4195.20	5340.60	9535.80			
Overburden	-	191.10	191.10			
(2) Personal Services:						
Supervision & Technical	212.80	270.90	483.70			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
~~xxxxx~~ Supplies	324.20	59.40	383.60			
~~xxxxxxx~~ Core Boxes	201.50	41.30	242.80			
~~xxx~~ Casing	66.00	78.00	144.00			
~~xxx~~ Cementing	414.00	-	414.00			
n Surveying	12.00	18.00	30.00			
Assays	57.75	-	57.75			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$5483.45	$ 6629.30	$12,112.75			

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

Date 8/1/66 *Payee Continental Quicksilver, Inc.

Per C. J. Reynolds Title General Superintendent

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 3429.16

Signature 14X0804
(Authorized Certifying Officer)

Date AUG 25 1966 Vou. No. 1712

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature D R MacBaren Title Field Officer, Region I Date AUG 15 1966

Approved by OME Executive Officer or Alternate:

Signature D R MacBaren Title Field Officer, Region I Date AUG 15 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

052403

MME FORM 61
SEPT. 1959

RECEIVED
AUG 8 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of June 1966 — Docket No. OME-6455

Operator's Name Continental Quicksilver, Inc. — Contract No. 14-23-090-2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Bulldozing	Hrs	-	20	$ 280.00	—	20	280.00
Mobilization				350.00	—	1	350.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft.	608	1382	9535.80	608	1382	9,535.80
Rotary							
Drilling, Non-core-Diamond							
Overburden	Ft.		26	191.10	—	26	191.10
Churn							
Percussion							
Miscellaneous Mud, etc.				383.60	-	-	383.60
Core Boxes	Ea.	304	363	242.80	304	363	242.80
Casing	Hrs	5.5	12	144.00	5.5	12	144.00
Cementing	Hrs.	34.5	34.5	414.00	34.5	34.5	414.00
Surveying	Hrs.	1	2.5	30.00	1	2.5	30.00
Incidental	Ft.	608	1382	483.70	608	1382	483.70
Assays	Ea.	21	21	57.75	21	21	57.75
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$ 12,112.75			12,112.75

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date Aug. 1, 1966 Operator Continental Quicksilver, Inc.

Per C. N. Reynolds Title Gen. Supt.

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

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

Signature D. R. Mackey

Title Field Officer, Region I
Government Representative

Date AUG 15 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

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

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

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

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

INT.DUP.,D.C.59- 27162

JUSTICE CORE DRILLING CO.
Rt. 2, Wildwood St.
Boise, Idaho

July 7, 1966

Continental Materials Corp.
820 So. Ninth St.
Grand Junction, Colo.

Billing on Drill hole # 1B to the 1st. of July.

NC Drilling; 0 to 77 @ 7.35 per ft.	6.90	565.95
NX Drilling; 77 to 500.00 @ 6.90 per ft.	"	2918.70
500 to 608 @ 7.35 per ft.	6.90	793.80
Casing time; cement Time; Surveying.		
34.5 hrs. 5.5 hrs. 1 hr. @ 12.00 per hr		492.00
Drill mud 70 sacks @ 3.30		231.00
Cement 34 sacks @ 2.00		68.00
Calcium Chloride 4 sacks @ 2.30		9.20
Oats 3 sacks @ 3.00		9.00
Brand 2 sacks @ 3.50		7.00
4 wooden Core Boxes @ 3.50	1.00	14.00
Total Billing		5108.65

308.20
16
32420

Leonard S. Justice

CONTINENTAL MATERIALS CORP.
GRAND JUNCTION

ACCOUNT	AMOUNT
425-04	5108.65
APPROVED BY CZK	

Okay GLB.

KIVA CONTAINER CORPORATION

2935 GRAND AVENUE — Tel. No. 272-6511 Area Code 602 — PHOENIX, ARIZONA 85017

MANUFACTURERS AND DESIGNERS OF CARTONS TO YOUR SPECIFICATIONS

VARIOUS STOCK SIZE CARTONS AVAILABLE

CUST NO. #

DATE May 18 196

SOLD TO: Continental Materials Corp. P.O. Box 1530 Grand Junction, Colorado

SHIPPED TO: Same

ORDER NO. Phone Order

CUSTOMER'S ORDER NUMBER	F. O. B.	TERMS	☐ "CHARGE" ☐ C.O.D.
7101		1% 10 Days	

QUANTITY	ITEMS AND DESCRIPTION	PRICE PER M	AMOUNT
250	4½ Cross Partition Style	675.00	168 75
50	13½ Cross Partition	575.00	28 75

CONTINENTAL MATERIALS CORP.
GRAND JUNCTION

ACCOUNT	AMOUNT
422-04	197.50

APPROVED BY

All accounts are due and payable by the 10th of the month following date of purchase. A 1% per month interest will be charged on all past due accounts. Should the account be placed in the hands of an attorney for collection, the customer agrees to pay all court costs and a reasonable attorney's fee.

SUB TOTAL WITHOUT TAX

RECEIVED ABOVE IN GOOD CONDITION

BY

FOR RESALE ☐ ADD SALES TAX ☐ % ON

PAPER PATENTED BY N.C.R. CO.

No. 05399

DARCO INCORPORATED

PLEASE PAY FROM THIS INVOICE

STATEMENT SENT ONLY ON REQUEST

INVOICE TOTAL → 197 50

CUSTOMER'S INVOICE

TELEPHONE WASATCH [illegible]

BLACK & DEASON

ASSAYERS AND CHEMISTS

[illegible]ental Materials Corporation SALT LAKE CITY, UTAH, July 20, 1960

[illegible] Brooks

ASSAY PER TON OF 2000 POUNDS

No.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	%
					Hole 15					
	Trace		12.0		556.8' - 557.8'					
	0.02		2.0		557.0' - 558.0'					
	Trace		0.6		[illegible].8' - 660.0'					
	Trace		0.6		718.0' - 719.0'					
	Trace		0.8		719.0' - 722.0'					
	Trace		Trace		728.0' - 740.0'					
	Trace		Trace		740.0' - 743.0'					
	Trace		Trace		758.0' - 759.0'					
	Trace		Trace		787.7' - 792.5'					
	Trace		Trace		792.5' - 796.4'					
	Trace		Trace		810.0' - 813.0'					
	Trace		Trace		813.0' - 815.8'					
	Trace		Trace		822.0' - 824.7'					
	Trace		Trace		835.5' - 836.0'					

[illegible] 18.00

V. Dorsey

165 SOUTH WEST TEMPLE ST.

CERTIFICATE OF ASSAY

TELEPHONE WASATCH 1214

BLACK & DEASON

ASSAYERS AND CHEMISTS

Continental Materials Corp. SALT LAKE CITY, UTAH. July 7, 1966

ASSAY PER TON OF 2000 POUNDS

NAME	NO.	GOLD OUNCES	VALUE GOLD PER TON	SILVER OUNCES	WET LEAD %	COPPER %	INSOLUBLE %	ZINC %	%	IRON %	%
						Interval					
#690		Trace		Trace	361.0' - 367.0'						
691		Trace		Trace	391.0' - 395.0'						
692		Trace		Trace	266.5' - 268.5'						
693		Trace		Trace	526.5' - 528.5'						
694		Trace		Trace	499.5' - 500.5'						
695		Trace		Trace	681.3' - 685.3'						
696		0.02		Trace	702.5' - 705.0'						
697 ✓ Cave in Summer		0.02		Trace	Underground - Cave in Summercamp						
698 ✓ 6" vein in Summercamp		0.28		3.7	Underground - 6" vein in Summercamp						

CHARGES, $ 27.00

R. Walker

7/18/66

NARRATIVE REPORT

June 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

Drilling continued on the above project during the month of June, however progress was somewhat slower than during the previous month. The rig was moved to drill site No. 1B, and the hole stood at 608 feet at month end. The tuff in this area has proven to be more silicified and fractured, and there has been considerable difficulty in maintaining circulation, and with caving. These problems necessitated numerous cement jobs, and considerable bran and oats to recover circulation. Also, the increased use of water has required the moving of pumping equipment to a new source.

At 600 feet the hole is in the footwall of the DeLamar Fault, therefore the "77" vein system should be reached very shortly.

Seven samples of split core from Hole No. 5 were sent in for assay. Results are shown on attached sheet.

Core recovery has remained very good, although somewhat less than the recovery in No. 5 hole.

Lithologic log and other geologic data are attached.

Signed C. H. Reynolds
C. H. Reynolds

RECEIVED
AUG 8 1966

CHKD. BY_____DATE_____ (SPLIT CORE) NO._____OF_____ JOB NO._____

SAMPLE No.	INTERVAL	DESCRIPTION	Au	Ag	THICKNESS
692	266.5'-268.5	Tuff, qtz lattice work with chlorite	Tr.	Tr.	2.0'
690	361.0'-367.0'	Bx Tuff-Henirette Fault	Tr.	Tr.	6.0'
691	391.0'-395.0'	Ditto	Tr.	Tr.	4.0'
694	499.5'-500.5'	Tuff, with pseudo-morphic qtz stringers	Tr.	Tr.	1.0'
693	526.5'-528.5'	Ditto	Tr.	Tr.	2.0'
695	681.3'-685.3	Micro-bx, Delamar Fault	Tr.	Tr.	4.0'
696	702.5-705.0'	PQI, with pseudo-morphic qtz. stringers	0.02	Tr.	2.5'

BY GLB DATE
CHKD. BY DATE

SUBJECT SAMPLING - HOLE No 1B
SPLIT CORE, DELAMAR
PROJECT

SHEET NO. OF
JOB NO.

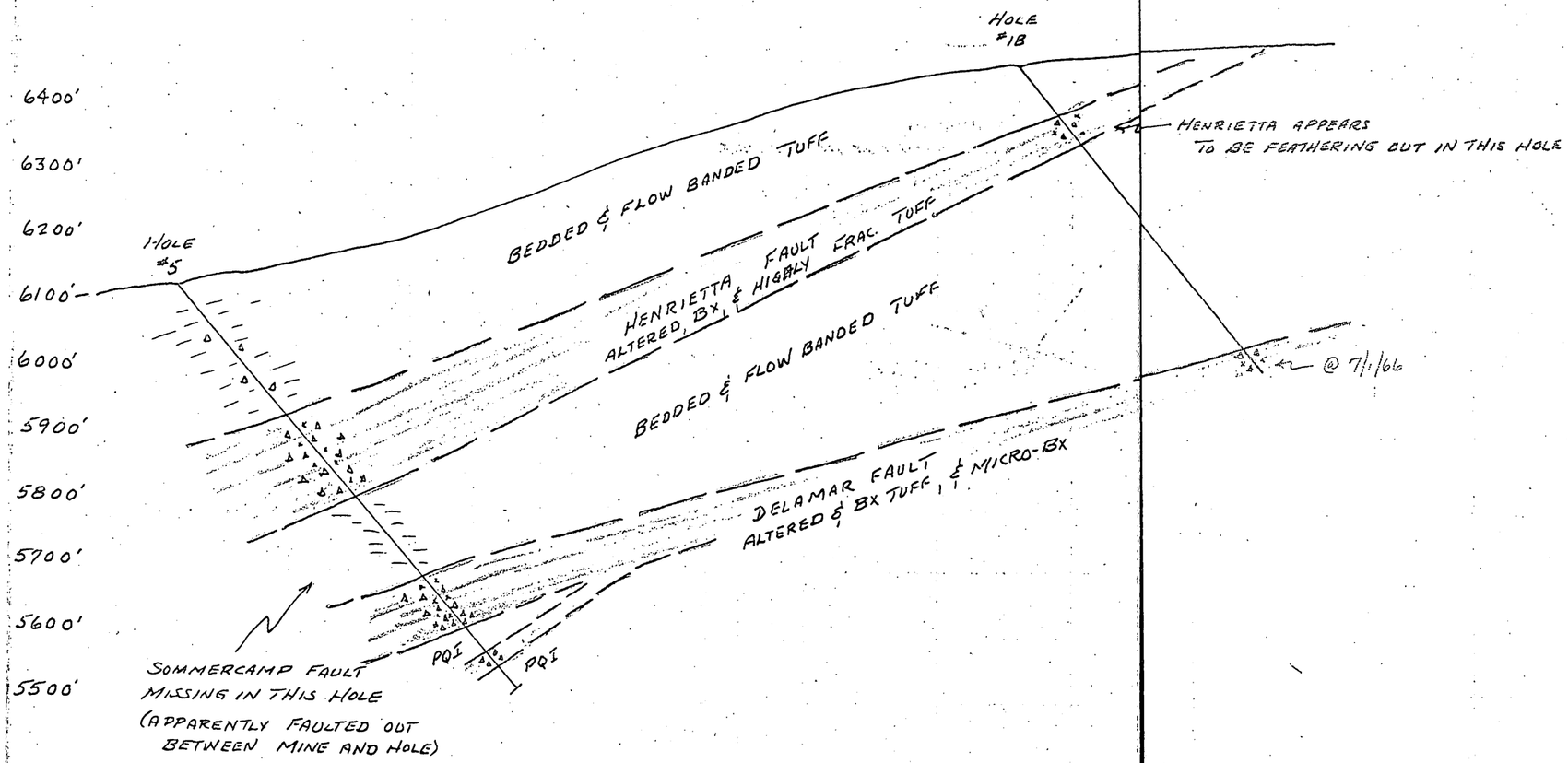
SAMPLE No.	FROM	TO	FEET	REC.	DESCRIPTION	AU	Ag
699	556.8'	557.8'	1.0'	100%	Altered, & Bx Tuff	Tr	12.00
1000	557.8'	558.0'	0.2'	100%	Qtz., with Sb_2S_3?	0.02	2.00
1001	659.5'	660.0'	0.5'	100%	PQI, with mind. Sb_2S_3?	Tr	0.60
1002	718.0'	719.0'	1.0'	100%	VEIN, comb qtz.	Tr	0.60
1003	719.0'	722.0'	3.0'	100%	PQI, sil. & Chlorite	Tr	0.80
1004	728.0'	±740.0'	12.0'	±17%	"77"? Vein, Comb qtz, Approx 2.0' core sampled.	Tr	Tr
1005	740.0'	743.0'	3.0'	33%	PQI, sil. with Comb. qtz veinlets. 1.0' core sampled.	Tr	Tr
1006	758.0'	759.0'	1.0'	80%	Vein, Comb qtz. 0.8' core sampled.	Tr	Tr
1007	787.7'	792.5'	4.8'	52%	Vein, Comb qtz & sil. PQI 2.5' core sampled	Tr	Tr
1008	792.5'	796.4'	3.9'	30%	Vein, Comb qtz., with Tr. Sb_2S_3? Chlorite, & Py. 1.2' core samp	Tr	Tr
1009	810.0'	813.0'	3.0'	30%	Vein, comb qtz, with Tr. Sb_2S_3? 0.9' core sampled.	Tr	Tr
1010	813.0'	815.8'	2.8'	100%	PQI, sil, with comb qtz. veinlets. 2.8' core sampled.	Tr	Tr
1011	822.0'	824.7'	2.7'	100%	PQI, Bx & cemented by comb qtz. 2.7' core sampled.	Tr	Tr
1012	835.5'	836.0'	0.5'	100%	PQI, Bx, & cemented by comb qtz. 0.5' core sampled.	Tr	Tr

BY ..... DATE ..... SUBJECT DELAMAR - SECTION 4 NO. ..... OF .....

CHKD. BY ..... DATE ..... HOLES 1B & 5 JOB NO. .....

Scale: 1" = 200'
(vert. & horiz.)

N60°E



PQI = PORPHYRITIC QTZ EYE RHYOLITE

BY GEB DATE SUBJECT CORE RECOVERY - DY SHEET NO. OF
CHKD. BY DATE RUNS, HOLE NO. 1B JOB NO.

NXWL | NC

FROM	TO	FT.	CORE
15.0'	24.2'	9.2'	7.7'
	34.3'	10.1'	10.1'
	37.1'	2.8'	2.6'
	43.3'	6.2'	6.2'
	44.0'	0.7'	0.7'
	54.0'	10.0"	10.0'
	59.1'	5.1	4.8'
	68.1'	9.0'	9.0'
	77.1'	9.0'	8.5'
	86.5'	9.4	9.4'
	96.5'	10.0'	10.0'
	102.0'	5.5'	5.5'
	111.1	9.1'	6.7'
	114.0'	2.9'	1.8'
	120.0	6.0'	5.0'
	124.0'	4.0'	4.0'
	129.5	5.5'	2.8'
	135.4	5.9'	5.6'
	141.0'	5.6'	5.0'
	147.3	6.3'	6.0'
	153.5'	6.2'	5.5'
	164.0'	9.5'	9.5'
	174.0'	10.0	10.0'
	178.4	4.4'	4.4'
	185.6'	7.2'	7.2'
	193.8'	8.2'	7.9'
	199.2'	5.4'	5.4'
	205.5'	6.3'	6.1'
	213.5'	8.0'	6.5'
	217.0	3.5	3.2'
	226.5	9.5'	9.5'
	236.4	9.9'	9.9'
	243.5'	7.1'	7.1'
	249.1'	5.6'	5.2'
	255.0	5.9'	3.5'
	265.2'	10.2'	10.2'
	271.5'	6.3'	6.3'
	277.0'	5.5'	5.3'
	280.8'	3.7'	3.7'
	288.7'	7.9'	7.9'

FROM	TO	FT.	CORE	
288.7'	296.0'	7.3'	7.1'	
	300.7'	4.7'	4.7'	
	307.5'	6.8'	6.8'	
	315.5'	8.0'	8.0'	
	326.2'	10.7'	10.7'	
	333.2'	7.0'	6.6'	
	343.6'	10.4'	10.4'	
	353.8'	10.2'	10.2'	
	364.0'	10.2'	10.2'	
	373.5	9.5'	9.5'	
	383.5'	10.3'	10.3'	
	389.5	5.7'	5.7'	
	399.8	10.3'	10.3'	
	409.3'	9.5'	9.3'	
	414.7'	5.4'	3.0'	
	418.2'	3.5'	3.2'	
	421.5'	3.3'	3.1'	
	426.4'	4.9'	0.6'	Tube unlatched
	436.3'	9.9'	9.9'	
	446.3'	10.0'	10.0'	
	456.4'	10.1'	10.1'	
	466.3'	9.9'	9.9'	
	476.3	10.0'	10.0'	
	482.5'	6.2'	6.2'	
	490.5'	8.0'	8.0'	
	500.9'	10.4'	10.4'	
	518.0'	8.5'	8.5'	
	526.4'	8.4'	8.4'	
	536.4'	10.0'	8.8'	
	546.4'	10.0'	10.0'	
	556.4'	10.0'	10.0'	
	563.5'	7.1'	5.7'	
	571.9'	8.4'	8.4'	
	580.5	8.6'	6.8'	
	591.0'	10.5'	8.3'	gouge washed
	596.0'	5.0'	2.4'	[illegible]
	605.5'	9.5'	8.3'	
	614.0'	8.5	8.3'	
	624.0'	10.0'	8.4'	
	631.9'	7.9'	7.9'	

FROM	TO	FT.	CORE	
631.9'	640.7'	8.8'	8.4'	
	650.0'	9.3'	8.3'	
	660.0'	10.0'	8.1'	
	665.7	5.7'	5.3'	
	667.4'	1.7'	1.2'	
	674.2'	6.8'	6.8'	
	682.8	8.6	6.2'	(washed)
	693.0'	10.2	9.0'	
	703.1'	10.1'	10.1'	
	704.0'	0.9'	0.0'	(chipped)
	704.5'	0.5'	0.0'	
	706.5'	2.0	2.0'	
	710.4'	3.9'	3.9'	
	714.7'	4.3'	4.3'	
	716.9'	2.2'	1.5'	
	726.3'	9.4'	7.2'	
	736.3'	10.0'	1.4'	(Bit dropped 8', honey combed & 1/3.)
	743.0'	6.7'	3.0'	(ditto)
	744.2'	1.2'	1.0'	
	748.8'	4.6'	1.3'	
	759.2'	10.4'	3.2'	
	766.0'	6.8'	0.3'	(tube unlatched)
	768.0'	2.0'	0.2'	
	773.3	5.3'	3.8'	
	779.4'	6.1'	6.1'	
	785.8'	6.4'	6.4'	
	787.7'	1.9'	1.7'	
	792.5'	4.8'	2.5'	
	796.4'	3.9'	1.1'	
	799.5'	3.1'	1.5'	
	804.3'	4.8'	1.7'	
	806.8'	2.5'	1.4'	
	810.0'	3.2	2.0'	
	813.0'	3.0'	0.9'	
	815.8	2.8'	2.8'	
	820.6	4.8'	4.3'	
	824.7'	4.1'	4.1'	
	826.5'	1.8'	1.5'	
	830.2'	3.7'	3.6'	

FROM	TO	FT.	CORE
830.2'	837.2	7.0'	7.0'
	837.8'	0.6'	0.6'

Hole bottomed at 837.8'. Bit mudded in & hole caved on rods in trying to free bit. Rods backed-off leaving bit, barrel, & 20' of rod in hole.

Coordinates – East _____ Inclination -52° Date Started June 9, 1966
North _____ Bearing N60°E Date Completed July 16, 1966
Collar Elevation _____ Logged By BROOKE Drilled By JUSTICE DRILLING

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	%	%	%	Assay Average
								STRUCTURE				
0	15'			Overburden								
15'	59'	96%		Tuff, tan	None	Weathered & oxidized. Chalky. Some clay & sil. Abundant FeOx. Few vugs		Gen. broken. Bedding 45° to axis & irregular. Frac. 60° to axis & irregular. Highly frac. 22'-24', 37'-39', & 52'-57' Some Bx				
59'	101'	99%		Tuff, tan	"	Ditto, with less oxidization. Some fine diss. corroded py. Abundant sil. locally.		Mass. to broken. Bedding 15°-30° to axis. Frac. 45° & 80° to axis. Minor Bx.				
101'	153.5'	84%		Henrietta Fault?	"	Weathered & oxidized. Abundant clay. Minor sil. Some FeOx, mostly on frac. Minor Mn. Minor diss. corroded py. Heavy FeOx 125'-153.5'		Bx & partially recemented. Gen. broken. Bedding 30°-45° to axis. Frac. 45° to axis & irregular. Slickensides 30° to axis @ 101'. Gouge 153'-153.5'				
153.5'	178.5'	100%		Tuff, tan	"	Weathered, some oxidization. Some clay & sil. & FeOx. Minor fine, diss., corroded py.		Gen. mass. Bedding 20°-30° to axis. Frac. 20°-30° & 60° to axis. Broken & Bx 172'-174'				
178.5'	315.5'	95%		Tuff, Gy	"	Abundant clay. Minor to mod. sil. Minor fine, diss. py. Some blebs. Few vugs		Mass. to broken. Bedding 20°-30° to axis & irregular. Frac. irregular. Minor Bx. Broken 184'-186', 212.5'-216', 243'-255'. Mod. Bx 270'-315'				
315.5'	426.4'	93%		Tuff, Gy	"	Some clay. Minor sil. Minor fine diss. py. Some blebs py. Few vugs.		Gen. mass. Bedding 45° to axis & irregular. Frac. gen. 45° to axis. Minor Bx, 408'-426'. Highly frac. 408'-426'				
426.4'	554.0'	92%		Tuff, Gy	"	Abundant sil., some clay. Abundant fine, diss. py. Some py blebs. Some qtz. lined vugs. Few qtz. stringers. Pseudomorphic qtz. 1/8" wide @ 470', 491'.		Gen. mass. Flow banding 60°-70° to axis & irregular. Frac. gen. 60°-70° to axis. Bx 442'-449', 462'-467', 474'-485', 505'-512', & 522'-527.5'. Banding & frac. 60° to axis 527.5'-554'				
554.0'	567.0'	80%		Delamar Fault (Bx Tuff)	Some SbS_2? @ 557'-559'	Abundant clay, qtz. & bands of sil., with abundant fine diss. py & py blebs. 1/2" band qtz. with SbS_3?? @ 558.5'	"lattice work" chlorite	Gen. broken. Bx & healed. Frac. irregular.				
567.0'	580.5'	89%		Delamar Fault (Bx & Altered tuff)	"	Heavy clay. Some sil. Abundant py diss. & cubic.		Broken. Bx. Soft. Frac. irregular				

DRILL HOLE RECORD
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

Claim DELAMAR Hole No. 1B
Page 1 of 3

Coordinates – East
North
Collar Elevation

Inclination -52
Bearing N60°E
Logged By BROOKE

Date Started June 9, 1966
Date Completed July 16, 1966
Drilled By JUSTICE DRILLING

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	% STRUCTURE	%	%	Assay Average
559.5	655.0'	87%		Delamar Fault (Microbreccia)	None	Heavy Clay. Abundant py, diss. & cubic. to 1/16" Feox	Some		Micro Bx. Soft. Gouge 605-614', 638.5'-640.5', 648'-650'			
655.0'	718.0'	94%		PQI, Gy-Gn	Tr. SbS_2? @ 660', & 703'	Abundant chlorite & sil. Some Clay. Few thin comb qtz. veinlets 664'-668'. Abundant py on frac., Some diss. & some blebs. Heavy Clay 682'-683'. Qtz. phcno. Some jarosite? mostly on frac. Few qtz. lined vugs.			Mass. to broken. Frac. 10° 30' & 60° to axis. Broken 655'-662, & 668'-672, 700'-702' Highly Frac 702'-704.5', & 714.5'-718''			
718.0'	719.0'	68%		Vein "comb" (pseudomorphic qtz.	None visible	Some PQI remnants	Minor py		Broken. Hanging wall 40° to axis Frac. irregular.			
719.0'	728.0'	77%		PQI, Gy-Gn	" "	Abundant chlorite & sil. Some clay locally. Some fine diss. py. Qtz. phcno. Some jarosite, mostly on frac.			Broken Frac 20°, 40° to axis, & irregular.			
728.0'	±740.0	26%		"77"? Vein comb qtz. & Bx PQI, cemented with comb qtz.	Tr. SbS_2?	Honeycombed qtz. 728'±738', with large voids & open frac. No recovery. Comb qtz. with remnants of Bx PQI 738'-740. Some py.			Highly frac.			
740.0'	788.0'	54%		PQI, some comb qtz. veins & veinlets to 1.5'. Comb qtz. 756'-759', & 764'-769.5'	None visible	Abundant sil & clay. Sanidine phcno. Some qtz. lined vugs. Some py, fine diss. & blebs			Highly frac. Some Bx. Frac. 30°-45° to axis, & irregular. Footwall of qtz vein 30° to axis @ 769.5'			
788.0'	796.5'	44%		Vein comb qtz. with remnants of Bx PQI	Tr. SbS_2?	Heavy clay & vugs in Bx PQI. Some chlorite, some py, fine diss., & blebs.			Highly frac. many voids. Some Bx Footwall 60°? to axis			
796.5'	810.0'	49%		PQI Bx Gn, few veinlets of comb qtz.	None visible	Heavy clay, chlorite & sil. Abundant py, diss. & on frac.			Highly frac Bx. Frac. irregular.			
810.0'	813.0'	30%		Vein comb qtz. with remnants Bx PQI	Tr. SbS_2?	Some chlorite, & py.	Vugs.		Highly frac. Frac. irregular.			
813.0'	822.0'	93%		PQI, Bx, Gn.	None visible	Abundant chlorite & sil. Some clay locally. Minor comb qtz. on frac. Abundant py. fine diss. & blebs.			Bx & recemented. Gn mass. Frac. 20° & 60° to axis.			
822.0'	836.0'	98%		PQI, Bx, partially cemented with comb qtz.	" "	Abundant chlorite & comb qtz. Some clay, abundant py, fine diss. & blebs.			Mass. to broken. Bx & partially recemented. Frac 20'-40° to axis. Broken 823'-824.5'			

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. 13
Page 2 of 3

Coordinates – East
North
Collar Elevation

Inclination -52°
Bearing N60°E
Logged By BROOKE

Date Started June 9, 1966
Date Completed July 16, 1966
Drilled By JUSTICE DRILLING

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	% STRUCTURE	%	%	Assay Average
836.0'	837.8'	100%		Fault (unknown) Microbreccia	None visible	Some veinlets of comb Qtz.		Gen. mass.				

REMARKS

1. Intermittent & partial circulation maintained to 560'. No circulation below this depth. At 600', hole was cemented back to 500'. Circulation was momentarily recovered, but lost again at 560' (Hangingwall of Delamar Fault).
2. Below 560' water stood at that level to 703' where hole went dry. At 703' inner tube was dropped through bit. Pieces of bit and shoe lost in hole. Hole washed & chopped from 703' to 704'. This is a large, open fractured area, with trace of sulphides.
3. Four bags cement pumped into hole at 710', which all went out the bottom.
4. Permanent water table seems to be at 770' in this hole, or ± 600' vertically.

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. 1B
Page 3 of 3

EASTMAN OIL WELL SURVEY COMPANY

EASTMAN DIRECTIONAL DRILLING INSTRUMENTATION

"Symbol of Service"

SHEET /

COMPANY CONTINENTAL QUICKSILVER, INC. JOB NO. _____ DATE June, 1966

WELL No. 1B FIELD CREW BROOKE

LOCATION DELAMAR PROJECT DISTRICT _____ COMPUTATIONS _____ FILM _____

TYPE OF SURVEY SINGLE SHOT M.S. _____ UNIT _____ BBL _____

STA. NO.	MEASURED DEPTH	COURSE LENGTH	DRIFT ANGLE	VERTICAL DEPTH	TRUE VERTICAL DEPTH	COURSE DEV.	DRIFT DIRECTION	COORDINATE DIFFERENCES NORTH	SOUTH	EAST	WEST	RECTANGULAR COORDINATES NORTH	SOUTH	EAST	WEST
1	200'	N59°E	-54°												
2	405'	N60°E	-55.5°												
3	600'	N61°E	-57.0°												
4	700'	N61°E	-57.0°												
	Hole not surveyed below 700' as it was caved @ ±720'														

C-315 R 1

Ome (r)

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 2 1966
INITIALS | CODE
120
110
120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 31, 1966

Air Mail

Mr. Vin. R. Gray, Office Manager
Continental Quicksilver, Inc.
820 So. Ninth Street
P. O. Box 199
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Gray:

Your voucher, with progress report and supporting data, for July was in good shape and has been processed and forwarded to the Branch of Budget and Finance. However, the five wooden core boxes that were claimed could not be approved at this time, pending clarification as to the number of boxes actually used.

Previously approved are 15 wooden core boxes with a capacity of 20 feet plus of core each, and 350 cardboard core boxes with a capacity of approximately 10 feet of core each. Thus, a sufficient number of core boxes to store some 3,700 feet of core has already been approved. According to the drillers invoices, only 1,630 feet of hole has been core drilled. At 100 percent core recovery only some 44 percent of the core box storage space would have been used.

Claim for reimbursement by the Government for its share of the cost of core boxes, and other supplies for that matter, should be based on what has actually been used. As there is a difference in price for wooden and cardboard boxes as well as in the price of various sizes of cardboard boxes, will you please have included in future Narrative Reports or under "Remarks" on the Progress Report, MME Form 61, the number of wooden and cardboard boxes and the sizes of each (NX, EX, etc.) that have actually been used to date. This will greatly aid in the proper processing of the vouchers and will avoid our deletion of part of a claim based on an estimate such as had to be made in the July voucher.

Sincerely yours,

D. R. MacLaren
Field Officer, Region I, OME

DRMacLaren/mls
cc: OME(2)
Voucher File
MacLaren
Director's Reading File

PHONE:

NTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

ORIGINAL COPY
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AUG 1 1966
FILE CODE
120 M
FRD 110
HR 120 K

U. S. Department of the Interior
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OMB-6455
Contract 2214
DeLamar Mine
Owyhee Co., Idaho

Attention: Mr. D. R. MacLaren

Gentlemen:

Enclosed are the original and [illegible] copies of Operator's Monthly Voucher and Operator's Progress [illegible] Contractors invoice attached, and of the narrative [illegible] month of July.

Very truly yours,

CONTINENTAL [illegible], INC.

/S/ Vin R. Gray
Vin. R. [illegible]
Office [illegible]

G/ds
Encls.

[illegible]
AUG 26 [illegible]
[illegible]

Ome (2)

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O. M. E.
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AUG 12 1966
INITIALS | CODE
120 M
FEJ 111
HIR 120 K

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 10, 1966

Air Mail

Mr. Vin. R. Gray, Office Manager
Continental Quicksilver, Inc.
820 So. Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Gray:

Enclosed are the original and three copies of the drill core logs, drill core recovery report, and the drill hole survey report. These accompanied your June Voucher and Progress Report but are not acceptable for the following reasons:

1. The original drill core logs accounts for 837.8 feet of hole, but the copies do not go beyond 580.5 feet.

2. The original drill core recovery report accounts for 830.2 feet of hole, but the copies do not go beyond 288.7 feet.

3. The original drill hole survey report accounts for four surveys, but the copies account for only two.

On the back of the MME Form 60, Operator's Monthly Voucher, the final paragraph states that "The Operator submits the original and four (now only three are required) copies, etc."

Although you are claiming reimbursement for only 608 feet of drilling for June, since the original of each of these reports accounts for more drilling, the copies, to be copies, should agree. It will not be necessary to repeat portions of these records when you voucher for the balance of this hole.

As soon as you return the enclosed originals with three copies of each, we shall continue to process the voucher.

Sincerely yours,

D. R. MacLaren
Field Officer, OME, Region I

Enclosures

MacLaren
Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/3		120
		110
		220
		120 M

Original declassified 8/3/66

6455

Memorandum

To: D. A. Bunevich

From: Harold Kirkemo

Subject: Equal Employment Opportunity Reports

Herewith are E.E.O. reports on two OME projects visited recently by the OME Field Officer, Region I. Neither of the contracts on these projects exceeds $100,000 in total value as shown below:

Mine	Docket No.	Contract No.	Total allowable cost	Govt. Share
Sidney Mining Company	6481	2215	$40,208.00	$25,130.00
✓Continental Quicksilver, Inc.	6455	2214	$61,360.00	$38,350.00

If the vagaries of the wind across the Idaho countryside permit, the discrimination poster at the second project may have remained on the tripod for an hour or two. There are no other man-made structures, trees, posts, or shrubs nearby to which a poster can be attached. If an unequally employed individual should appear at the site, I am sure that he (she) would be advised of the nondiscriminatory practices at the project, and very likely that individual missed a road turnoff some 50 miles away and is lost!

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: ~~Director's Reading File~~
~~Division File~~
~~Economic Geology File~~
OME Docket 6481
OME Docket 6455
OME Reading File
Mr. Kirkemo

HKirkemo/gla 8-3-66

23263

OFFICIAL
COPY
O. M. E.
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JUL 26 1966

INITIALS	CODE
	120 M
	110

[illegible]

Date: 7/23/66

Memorandum

To: Compliance Officer

From: ~~Acting~~ Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
CMF-6455 (Gold-Silver)
Operator: Continental Quicksilver, Inc.
Name of Property: DeLamar Mine
County-State: Owyhee, Idaho
Contract No. 2214

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees — 5
2. Number of women employees — 0
3. Number of Negro employees — 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) — 0
5. Was employment through a union? — No
6. Distance to the closest union headquarters (Nampa or Boise) — 70 to 90 miles ±
7. Are the discrimination posters prominently displayed? Driller will post them on one of the legs of the drill tripod. — No
8. If employment was through a union, was the union furnished Standard Form 38? — --
9. If employment was not through a union, in what manner was employment made? — Contract bid.
10. Acts of intimidation matter has been discussed with Leonard Justice, Drill Contractor.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

DATE: 7/7/66

INITIALS

1. Re: OME-6455 (Gold-Silver)
2. Continental Quicksilver, Inc.
~~Delamar Mine~~
Owyhee County, Idaho
3. Contract 2214

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JUL 11 1966

4. D. R. MacLaren
5. D. R. MacLaren

FROM: Fld. Officer, Reg. I

INITIALS | CODE
120 M
~~110~~
HK 120 K

FOR: Check items for action desired

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

REMARKS: Transmittal of Monthly Voucher, Progress Report, Narrative, Drill Hole Log, with supporting documents for May 1966.

INT.-DUP. SEC., WASH., D.C. M56300-62

PHONE Cme (v)

CONTINENTAL MATERIALS CORPORATION

[redacted]

INITIALS	CODE
	120 M
JJ	110
HR	120 K

U. S. Department of the Interior
Office of Minerals Exploration
Geological Survey
Se. 157 Howard Street
Spokane, Washington 99204

Attention Mr. D. R Maclaren

[illegible] 6455
[illegible]tract 2214
[illegible] amar Mine
[illegible]ybee Co., Idaho

Gentlemen

Enclosed are the original and thre[illegible] of Operator's Monthly Voucher and Progress Report, and [illegible] report for month of May, with lithologic log and [illegible] data attached.

Very tr[illegible]

CONTIN[illegible], INC.
/S/ Vin. R. Grey
Vin. R. [illegible]
Office Mg[illegible]

G/ds
Encls.

[illegible]

MME FORM 60
SEPT. 1959

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6455
Contract No. 14-23-090-2214
Contract Amount $ 61,360.00
Gov't Participation % 62½ $ 38,350.00
Mineral(s) Gold-Silver

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JUL 28 1966

OPERATOR'S MONTHLY VOUCHER

For Month of May, 1966

Operator's Name Continental Quicksilver, Inc.
Address 820 So. Ninth, P. O. Box 190, Grand Junction, Colo.

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	320.00	-	320.00			
Drifting						
Crosscutting						
Drilling Core-Dia.	5340.00	-	5340.00			
Overburden	325.00	-	325.00			
(2) Personal Services:						
Supervision & Technical	270.90	-	270.90			
Outside Consultants						
Labor						
(3) Operating Mat'l & Supplies:						
~~Lumber~~ Drill Mud	59.40	-	59.40			
~~Explosives~~ Core Boxes	41.30	-	41.30			
~~Fuel~~ Casing	78.00	-	78.00			
~~Rent~~ Surveying	18.00	-	18.00			
Mobilization	700.00	-	700.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	7153.20		7153.20			

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

Date June 14, 1966 * Payee Continental Quicksilver, Inc.

Per C. D. Reynolds Title Gen. Supt.

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 4143.31

Signature 14X0804
(Authorized Certifying Officer)

Date JUL 28 1966 Vou. No. 862

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2214

Signature [illegible] Title Field Officer, Region I Date JUL 7 1966

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Field Officer, Region I Date JUL 7 1966

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

RM 61
959

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S ~~PROGRESS~~ REPORT For Month of May 1966 Docket No. OME-6455

Operator's Name Continental Quicksilver, Inc. Contract No. 14-23-090- 2214

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond	Ft.	774	774	5340.60	774	774	5441.85 [1]
Overburden Rotary	Ft.	26	26	325.00	26	26	191.10 [1]
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Dozing	Hrs.	20	20	320.00	20	20	280.00 [2]
Mobilization				700.00	1/2	1/2	350.00 [3]
~~Roads and Trails~~ Drill Mud				59.40			59.40
~~Stripping~~ Core Boxes	Ea.	59	59	41.30	59	59	44.00 [4]
~~Trenching~~ Casing	Hrs.	6.5	6.5	78.00	6.5	6.5	78.00
~~Sampling~~ Surveying	Hrs.	1.5	1.5	18.00	1.5	1.5	18.00
Other Surface Work Incindetal	Ft.	774	774	270.90	774	774	270.90
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				7153.20			6,733.25 [5]

REMARKS

(Continue on back)

REMARKS
1: Drillers invoice indicates
overburden 26ft @ $7.35 = $191.10
Non Core (Plug) 175ft @ 7.35 = 1,286.25
NX Core 299ft @ 6.90 = 2,063.10
Max. allowed by contract
for balance of hole is 8X
at less cost than NX as
invoiced, and is

(Continue on back) (OVER)

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

Date June 14, 1966 Operator Continental Quicksilver, Inc.

Per C. L. Reynolds Title Gen. Supt.

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

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

Signature [illegible]

Title Field Officer, Region I
Government Representative

Date JUL 7 1966

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

1 contd: 250' @ $6.90 = 1,725.00
50' @ $7.35 = 367.50

Total accepted drilling $ 5,441.85

2 Invoice indicates work was done with D-7 @ $14.00/hr. 20 x 14.00 = 280.00

3 Invoice & narrative indicate only 1 drill unit was mobilized - Contract price based on 2 units, ∴ only $350 is accepted now, balance may be accepted later if 2nd unit is mobilized

4 Wood core boxes are stronger than cardboard and 9 are accepted @ $1.00 ea. 50 cardboard board boxes @ invoiced price of $0.70 ea. also accepted

5 Amts accepted for 774' drilling and 59 core boxes each exceed amts claimed for those items. If it is believed to be proper on this voucher as Total to Date claimed for all category 1 work is not exceeded by the amount accepted

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

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Continental Quicksilver Inc.
820 So. Ninth, P. O. Box 190
Grand Junction, Colo.

Amount Claimed:	Differences (Explained Below)	Amount Approved
7,153.20	$523.90	6,629.30 4,143.31 Govt. Share
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	~~Se~~ OMB # 6455 Contract # 2214	May, 1966

EXPLANATION

Dozing, Amount Claimed	$320.00	
Allowed, ~~[illegible]~~ 20 hrs at $14.00	280.00	
Disallowed		$40.00
Overburden, amount claimed	325.00	
Allowed, 26 Ft. at $7.35	191.10	
Disallowed		133.90
Mobilization, amount claimed	700.00	
Allowed, 1 unit mobilized	350.00	
Disallowed		350.00
Total Disallowed		523.90

Note: these disallowances made in line with our Field Officers notations, and in line with invoices you submitted indicating charges made by your contractor, and one unit mobilized only.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

E. Gibson
Branch of Budget and Finance

STATEMENT

Russell Lynde & Sons Russell Lynde & Sons

FROM Jordan Valley, Oregon Jordan Valley Ore

By Eddie Lynde **General Construction**

May 7 19 66

TO Continental Materials

ADDRESS

CITY make drill sites and work on

TERMS roads with caterpilar D 7 dozer

May 7	9-12-1230-6	8	1/2			
8	9-30-5	8	1/2			
10	9-1230-1-5	7	1/2			
11	830-12-1230-6	9				
12	9-1230-1-630	8				
		41	1/2	hours		
	rate per hour	14.00				
		582.00				
	one way haul	$140.00				
		$622.00				
716-11	$622.00					

CONTINENTAL MATERIALS CORP. GRAND JUNCTION ACCOUNT AMOUNT

APPROVED BY

Brooke Quicksilver Proj.

Cont. DeLamar

JUSTICE CORE DRILLING CO.
Rt. 2, Wildwood St.
Boise, Idaho

June 25, 1966

Continental Materials Corporation
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado

Billing of one half of moblelization and Demoblelization on Delmar, Idaho drill job.

$700.00

Leonard S. Justice

Leonard S. Justice

Lynn - Joring

okay RJB

JUSTICE CORE DRILLINGCO.

Rt. 2, Wildwood St.

Boise, Idaho

June 2, 1966

Continental Materials Corp.
820 So. Ninth St.
Grand Junction, Colo.

Billing on drill hole # 5, Delmar, Idaho job.

Plug drilling 4½" to Bedrock;	
0 to 26 26 ft. @ 7.35 per ft.	191.10
NC Drilling;	
26 to 201 175 ft. @ 7.35 per ft.	1286.25
NX Drilling;	
201 to 500 299 ft. @ 6.90 per ft.	2063.10
500 to 750 250 ft. @ 7.35 per ft.	1837.50
750 to 800 50 ft. @ 7.90 per ft.	395.00
4.5 hrs. casing hole @ 12.00 per hr.	54.00
Surveying 1.5 hrs. @ 12000 per hr.	18.00
18 sacks of drill mud @ 3.30 per sack	59.40
9 5 ft. wooden core boxes @ 3.50 each	31.50
50 NX cardboard boxes @ .70 each	35.00
Freight on core boxes	24.75
Removing casing 2 hrs. @ 12.00 per hr.	24.00
Total	$ 6019.60
Credit on advance	800.00
Amount due	5219.60

CONTINENTAL MATERIALS CORP.
GRAND JUNCTION

ACCOUNT	AMOUNT
425-04	5219.60

APPROVED BY CJK

Leonard Justice

Leonard Justice

6/6/66

NARRATIVE REPORT

May 1966

Docket No. OME-6455
Contract No. 2214
DeLamar Project
Owyhee County, Idaho

The DeLamar Project was begun on May 4th when Jay Smith and I arrived on the property and started the surveying. The surveying was completed on the 7th and the dozer arrived the same day to build the drill sites. Sites 1B, 2A, 3A, 4A and 5 were prepared, plus the necessary access roads and a sump to store drill water.

The drill rig arrived on the property on the 8th and Hole No. 5 was collared on the 12th. I decided to drill No. 5 first as it was an easy site to prepare and close to water.

The hole drilled very well to 700 feet, where circulation was lost. From there to the bottom, at 800 feet, the hole was drilled blind. Some difficulty was encountered with caving after the loss of circulation as no mud could be maintained in the hole.

Core recovery was excellent throughout the hole. For practical purposes 100% core was recovered from 80 to 580 feet, and in the areas where core was lost over 85% was recovered. Surface casing was set to 26 feet, the hole was continued NC conventional to 201 feet. It was then cased and was completed to bottom NXWL.

From	To	Lithology
0	26'	Overburden
26'	276'	Tuff
276'	431'	Henrietta Fault
431'	584'	Tuff
584'	686'	DeLamar Fault
686'	743'	PQI
743'	766'	DeLamar Fault
766'	800'	PQI

For some unknown reason the Sommercamp Fault was missed by the hole, or an alternate interpretation would be that the fault zone from 584 to 686 feet is actually the junction of the Sommercamp and DeLamar Faults. At any rate the target area, the Sommercamp Vein System, was missed by the hole.

Surveying of the hole indicates the hole was steepened and turned to the right slightly. The hole was not surveyed at 800 feet as the hole was blocked by cave at 590 feet. Other survey points are as follows:

Sta. No.	Depth	Bearing	Dip
1	230'	N 57° E	-51°
2	400'	N 57° E	-52°
3	600'	N 57° E	-54°

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The lithologic log and other data are attached.

Signed G. L. Brooke
G. L. Brook

Circ. lost @ 703', & not recovered.

Coordinates – East _____ Inclination -50° Date Started 5/12/66
North _____ Bearing N60°E Date Completed 6/2/66
Collar Elevation _____ Logged By BROOKE Drilled By JUSTICE DRILLING

From	To	Feet % Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	%	%	%	Assay Average
								STRUCTURE				
0	26'			Talus (surface casing)								
26'	50'	87%		Tuff, chalk wh to tan	None	Weathered, heavy clay, minor FeOx, qtz. ribs. Minor sil. locally. Soft.		Gen. broken. Bedding 70° to axis @ 28'				
50'	101'	88%		Tuff, Gy-Gn to Gy	"	Heavy clay, minor sil. Sparse FeOx Few qtz. ribs.		Gen. broken. Some Bx & healed. Crude bedding 55° to axis @ 92'				
101'	130'	100%		Tuff, Gy to wh	"	Abundant clay & sil. Few vugs lined with qtz. Qtz. ribs. Sparse FeOx, largely on frac.		Gen. Broken. Bx & healed. Frac. irregular				
130'	145'	100%		Tuff, Gy to Gy-Gn	"	Heavy clay, minor sil. Sparse FeOx Few vugs lined with qtz. & qtz. ribs. Soft.		Gen. massive. Minor Bx & healed. Crude bedding - irregular.				
145'	200'	100%		Tuff, Bx, Gy-Gn	"	Heavy clay. Some FeOx, mostly in Bx frag. & on frac. Soft		Gen. massive. Bx & healed. Frag. up to 2"x2" Few frac. gen. 20°-40° to axis. Minor fault @ 191.5'-20° to axis. Crude bedding.				
200'	276'	100%		Tuff, Bx, Gy (Gn frag.)	"	Some clay, heavy locally. Abundant sil., gen. as bands & ribs (lattice-work). Some FeOx mostly in Bx frag. & on frac. Minor fine diss. py. Clay increasing 241-258. Heavy py @ 250'. Chlorite on frac. 266'-268'		Gen. massive, Bx & healed. Frac. gen. 10°-20°, & 50° to axis. Minor fault - 45° to axis @ 249'. Highly frac. 255.5'-276', 10°-30°, & 60° to axis.				
276'	330'	100%		Henrietta Fault (Bx & altered tuff)	"	Heavy clay & heavy sil. in bands Abundant py. Some qtz.-lined vugs.		Gen. massive - Bx & healed. Minor Bx 292'-312'. Frac. 25° & 40°-60° to axis. Broken 312'-320'. Bedding 40°-50° to axis.				
330'	431.5'	100%		Henrietta Fault (Bx & altered tuff)	"	Heavy qtz. lattice-work. Vuggy with qtz. lining. Abundant py. Minor Clay. Some fine-gr. diss. Corroded py. 1/8" talc seam @ 380'. Heavy Clay 380'-390'. Some siderite?, & a few calcite crystals 317'-320' Heavy clay 428'-431.5'		Gen. massive - Bx & healed. Frac. 30° to axis & irregular. Broken 428'-431.5'				
431.5	537'	100%		Tuff, Gy to tan	Tr. Argentite on qtz @ 500'	Some sil & clay. Minor FeOx, mostly on frac. & bedding planes Fine diss., corroded py. Few qtz. lined vugs. Minor chlorite Thin stringers of pseudomorphic qtz. 500'-501', 527'-537'		Gen. massive. Minor Bx-healed. Bedding & frac. 55°-65° to axis, & irregular. Some Bx 448'-456, 478'-481'. Bedding 30° to axis @ 510'. Frac. gen. 20°-50° @ 505'-515'				
537'	584'	100%		Tuff, Gy to tan	None visible	Some sil & clay. Minor FeOx, mostly on frac. & bedding planes. Few thin stringers of pseudomorphic qtz. Very fine diss., corroded py., & py blebs. Few qtz. lined vugs. Heavy clay 581'-584'		Gen. mass., minor Bx-healed. Good bedding locally, mostly 30°-60° to axis & irregular Broken 581'-584'. Bx 555'-565'				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. No. 5
Page 1 of 2

Coordinates – East _____ Inclination -50° Date Started 5/12/66
North _____ Bearing N60°E Date Completed 6/2/66
Collar Elevation _____ Logged By BROOKE Drilled By JUSTICE DRILLING

From	To	Feet Rcvd.		Rock Description	Mineralization	Alteration	Sample No.	%	%	%	%	Assay Average
								STRUCTURE				
584'	653'	96%		Delamar Fault (Bx & altered tuff)	None visible	Heavy clay. Abundant py, some fine diss. some blebs. Local sil. Minor FeOx, mostly along bedding.		Gen. broken. Some gouge 584'-585, 587,-588', 609'-613.5, 629-632.5' & 634'-635. Minor Bx. Frac. gen. 50° to axis. Bedding irregular. Highly frac. 629'-636', frac. 30°, 50° to axis & irregular.				
653'	674'	96%		Delamar Fault (Bx & altered tuff).	" "	Abundant clay & sil. Green Chloritic qtz lattice-work. Heavy clay & chlorite 671'-674'. Fine diss. py.		Mass. to broken. Bedding gen. 80° to axis. Frac. 10°, 40°, & 80° to axis.				
674'	686'	96%		Delamar Fault (micro-breccia, red & gy)	" "	Heavy clay & FeOx. Abundant py. Crystals to 1/8".		Micro Bx, healed. Lower contact 60° to axis.				
686'	696'	96%		PQI, Gy-Gn	" "	Heavy clay & chlorite. Minor sil. Some fine diss. py, some blebs.		Gen. mass. Frac. 35°-50° to axis.				
696'	743'	96%		PQI, Gy-tan	" "	Heavy sil-HARD. Some chlorite 696-700'. Some fine diss. py, also blebs & bands. Few thin stringers of pseudomorphic qtz. Few qtz lined vugs. Small phenocrysts of qtz. & sanidine?		Mass. Frac. 60° & irregular. Lower contact 70° to axis.				
743'	759'	96%		Fault (Delamar?) PQI, Dk Gy-Gn	" "	Highly altered. Heavy chlorite & clay. Abundant py, some diss, some large blebs. Minor sil.		Bx & broken. Slickensides 70° to axis @ 743', & 40° to axis @ 759'.				
759'	766'	96%		Fault (Delamar?) Micro-breccia	" "	Heavy clay. Abundant py. Some chlorite & sil.		Bx & broken. Micro breccia & Bx PQI.				
766'	780'	96%		PQI, Gy-Gn	" "	Abundant sil & chlorite. Some py, fine diss. & blebs. Some clay & talc 766'-771'. Few vugs.		Bx & healed. Gen. mass. Some frac. 766'-772', 30° & 60° to axis, & irregular				
780'	800'	96%		PQI, Dk Gy.	" "	Abundant sil. Few stringers wh qtz. Some py, fine diss., & blebs.		Mass. Bx & healed. Frac. 60° to axis & irregular.				

DRILL HOLE LOG
MANNING W. COX ASSOCIATES
CONSULTING GEOLOGISTS

DELAMAR Hole No. 5
Page 2 of 2

EASTMAN OIL WELL SURVEY COMPANY

EASTMAN — DIRECTIONAL DRILLING — INSTRUMENTATION — "Symbol of Service"

SHEET 1

COMPANY: CONTINENTAL QUICKSILVER
WELL: DELAMAR #5
LOCATION: OWYHEE CO., IDAHO DISTRICT:
TYPE OF SURVEY:

JOB NO.: DATE: May, 1966
FIELD CREW:
COMPUTATIONS: FILM:
M S: UNIT: BBL:

STA. NO.	MEASURED DEPTH	COURSE LENGTH	DRIFT ANGLE	VERTICAL DEPTH	TRUE VERTICAL DEPTH	COURSE DEV.	DRIFT DIRECTION	COORDINATE DIFFERENCES NORTH	SOUTH	EAST	WEST	RECTANGULAR COORDINATES NORTH	SOUTH	EAST	WEST
1	230'	N57°E	-51°												
2	400'	N57°E	-52°												
3	600'	N57°E	-54°												
4	800'	Hole caved @ 590'													

C-315 R 1

BY_____ DATE_____ SUBJECT CORE RECOVERY BY RUNS SHEET NO._____ OF_____

CHKD. BY_____ DATE_____ DELAMAR HOLE NO. 5 JOB NO._____

NXWL CORE | NC CORE

FROM	TO	FT.	CORE	
26'	34.8'	8.8'	7.5'	
	44.7'	9.9'	8.1'	
	55.0'	10.3'	7.9'	87%
	65.0'	10.0'	9.6'	
	75.0'	10.0'	9.1'	
	80.5'	5.5'	5.2'	
	90.3'	9.8'	9.8'	
	99.3'	10.0'	10.0'	
	109.4'	10.1'	10.1'	
	119.7'	10.3'	10.3'	100%
	129.8'	10.1'	10.1'	
	140.1'	10.3'	10.3'	
	150.4'	10.3'	10.3'	
	160.6'	10.2'	10.2'	
	170.8'	10.2'	10.2'	
	181.0'	10.2'	10.2'	
	191.1'	10.1'	10.1'	
	201.3'	10.2'	10.2'	
	211.5'	10.2'	10.2'	
	221.8'	10.3'	10.1'	
	232.0'	10.2'	10.2'	
	241.6'	9.4'	9.4'	
	251.8'	9.4'	9.4'	
	261.5'	10.3'	10.3'	
	271.8'	10.3'	10.3'	
	282.1'	10.3'	10.3'	
	292.2'	10.1'	10.1'	
	301.5'	9.3'	9.3'	
	310.2'	9.7'	9.7'	
	319.8'	9.6'	9.6'	
	330.0'	10.2'	10.2'	
	340.3'	10.3'	10.3'	
	350.6'	10.3'	10.3'	
	360.8'	10.2'	10.2'	
	371.0'	10.2'	10.2'	
	380.1'	9.1'	9.1'	
	390.3'	10.2'	10.2'	
	400.6'	10.3'	10.3'	
	410.9'	10.3'	10.3'	
	421.2'	10.3'	10.3'	

FROM	TO	FT.	CORE	
421.2'	431.6'	10.4'	10.2'	
	441.8'	10.2'	10.2'	
	452.1'	10.3'	10.3'	
	462.4'	10.3'	10.3'	
	472.7'	10.3'	10.2'	
	483.0'	10.3'	10.3'	
	493.2'	10.2'	10.2'	100%
	503.6'	10.4'	10.3'	
	513.6'	10.0'	10.0'	
	523.7'	10.1'	10.1'	
	534.0'	10.3'	10.3'	
	544.2'	10.2'	10.2'	
	552.0'	7.8'	7.8'	
	562.1'	10.1'	10.1'	
	572.4'	10.3'	10.3'	
	582.6'	10.2'	10.2'	
	591.9'	9.3'	7.8'	
	599.1'	7.2'	7.2'	
	609.3'	10.2'	10.2'	
	619.6'	10.3'	10.0'	
	629.4'	9.8'	9.0'	
	632.6'	3.2'	3.0'	
	637.5'	4.9'	4.9'	
	641.2'	3.7'	3.4'	
	645.2'	4.0'	4.0'	
	653.3'	8.1'	7.6'	
	663.5'	10.2'	10.2'	
	673.6'	10.1'	10.1'	
	683.9'	10.3'	10.0'	96%
	694.2'	10.3'	10.3'	
	696.0'	1.8'	1.8'	
	700.3'	4.3'	4.3'	
	710.4'	10.3'	10.3'	
	717.5'	7.1	6.8'	
	718.3'	0.8'	0.8'	
	726.0'	7.7'	7.7'	
	736.0'	10.0	10.0'	
	742.8'	6.8'	6.5'	
	748.3'	5.5'	5.5'	

FROM	TO	FT	CORE	
748.3'	749.6'	1.3'	0.1'	Blocked with core
	751.1'	1.5'	0.7'	Broken Core spring
	754.3'	3.2'	2.8'	
	759.7'	5.4	5.0'	96%
	762.8'	3.1	3.0'	
	770.8'	8.0'	8.0'	
	780.8'	10.0'	10.0'	
	790.6'	9.8'	9.8'	
	800.0	9.4	7.2'	Core spring fouled up

Remarks

Core lost @ 703', not recovered.

PHONE

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET P. O. BOX 190 GRAND JUNCTION [illegible]

June [illegible], 1966

U. S. Department of Interior
Office of Minerals Exploration
Sa. 157 Howard Street
Spokane, Washington 99204

Attention: Mr. D. H. MacLaren
Field Officer, OME Region 1

[illegible] OME [illegible] (Gold -Silver)
[illegible]nts. Quicksilver, Inc.
[illegible] 2214

Gentlemen:

As requested in your recent letter [illegible] we are sending herewith four copies of each invoice from the bulldozer contractor and the drilling contractor, the originals of which are signed by the contractors.

Very truly yours,

CONTINENTAL QUICKSILVER, INC.

/s/ Vin. R. Gray

Vin. R. Gray
Office Mgr.

c/ds
Encls.

OMe(2)

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 20 1966
INITIALS | CODE
HR | 120 11 ~~110~~ ~~140~~

GEOLOGICAL SURVEY
So. 137 Howard Street
Spokane, Washington 99204
June 17, 1966

Air Mail

Mr. G. L. Brooke
Geologist
Continental Quicksilver, Inc.
820 So. Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-0455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho
Contract 2214

Dear Mr. Brooke:

We have received your Monthly Progress Report, Voucher, Narrative Report, and drill logs for work completed under the captioned contract. They all appear to be in good order, but as all items claimed, except the incidental allowance for drilling, are on an actual cost basis, we cannot process the voucher for payment until we receive the original and three copies of invoices from the bulldozer contractor and the drilling contractor.

The dozer contractor's invoice should show the make and size of dozer used, the hours of operation and the rate per hour he charged. The drilling contractor's invoice should show proper bit designation, the number of feet drilled with each bit size, and the rates per foot charged for each. His charge for drilling overburden and setting casing should appear as separate items as should the hours and rate charged for reaming and casing and/or cementing and redrilling. The amount of drilling mud, cement, etc., used and the number of core boxes with the amount charged for each should be included if the driller provided them. If the core boxes were bought separately, an invoice for them should be included. One copy of each invoice must be the original signed by the contractor or a certified copy thereof.

The requirement that actual cost items must have documentary support appears in the contract at the end of Article 5(b) and in the next to last paragraph under "Preparation of Operator's Monthly Voucher, MME Form 60" on the back of that form.

As soon as the missing documentary support is received, we will continue to process your voucher.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMcLaren/mls
cc: OME(2)
Voucher File
MacLaren
Director's Reading File

PHONE

CONTINEN MATERIALS CORPORATION

[illegible] NINTH [illegible]

[illegible] 2-, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 4 1966
[illegible]

Mr. D. R. MacLaren
U. S. Department of the Interior
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Re: [illegible] Silver)
[illegible] Quicksilver,
[illegible] Mine, Owyhee
[illegible], Idaho

Dear Mr. MacLaren:

We wish to inform you that we [illegible] to start work on the above project within ten days. The core drill is ready to move onto the property. We expect to survey in the drill sites the first of [illegible] week, and will move the drill onto location as soon as the sites can be prepared.

Sincerely,

CONTINENTAL QUICKSILVER, INC.

/S/ G. L. Brooke

G. L. Brooke
Geologist

GLB/ds

Owe

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 22, 1966

Air Mail

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho
Contract 2214

Gentlemen:

We are enclosing a three-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61. The original and three copies of the completed report forms as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice of Nondiscrimination in Employment." In accordance with Executive Order 11246, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment. The enclosed poster should be kept exhibited in a conspicuous place available to both employees and applicants for employment.

We would appreciate your advising us when the OME contract work has started.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
Director's Reading File

MME FORM 6 REFERENCE SLIP
REV. 2- OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	03/21/66	
To: OME-6455 (Gold-Silver)	COPY	
2. Continental Quicksilver, Inc.	M. E.	1
DeLamar Mine	RECEIVED	
3. Owyhee County, Idaho	MAR 1	1205
Contract 2214		
4.		
D. R. MacLaren		
5. D. R. MacLaren	110	
FROM: Fld. Officer, REGION I	170	

FOR: Check items for action desired

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

REMARKS: Transmittal of the Gov't., Audit, and Fiscal Section's copies of the above-cited contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

Ome-

CONTINENTAL MATERIALS CORPORATION

4500 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

OFFICIAL COPY

March 15, 1966

Mr. D. R. MacLaren
United States Department
of the Interior
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6455 (Gold-Silver) Continental Quicksilver, Inc.
DeLamar Mine Owyhee County, Idaho

Dear Mr. MacLaren:

Mr. C. H. Reynolds of Grand Junction forwarded the contract you sent him on March 7, 1966, for signature on behalf of our subsidiary Continental Quicksilver, Inc. I have had the copies signed and I return herewith the original and three copies of the above contract. We have withdrawn the Operator's copy.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

/s/ By Sidney M. Gunther
Sidney M. Gunther

lk
cc.
Mr. C. H. Reynolds

One

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 9 1966

INITIALS	CODE
	110
	120
HK	120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 7, 1966

Air Mail

Continental Quicksilver, Inc.
820 Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Gentlemen:

Enclosed are the original and four copies of a proposed contract for the subject mine. The contract consists of MME Form 50 (7 pages), Annex I (2 pages), one Lien and Subordination Agreements, Exhibit A (5 pages), Exhibit B (1 page), and one map (fig. 1). All copies have been signed by the Director* for the Government. The date for commencement of the work has been inserted.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications. Your attention is specifically directed to Article 10 and Exhibit B. Appropriate forms to meet the compliance requirements will be sent with forms for reporting monthly progress and vouchering.

If the terms and conditions are satisfactory, sign all copies, keep the Operator's copy, and return the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

The 6-3/4 percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

*Acting

We call your attention to the third paragraph of the letter dated December 23, 1963, from the Chief, Office of Minerals Exploration, which urges you to stake the unclaimed fraction near drill hole 5 when you resume work in the area next spring.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

AREA CODE 303
PHONE: CHAPEL 3-2100.

NTINENTAL MATERIALS CORPORATION

NG FIELD OFFICE: 820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

March 4, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 7 1966
INITIALS | CODE
HK

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
U. S. Geological Survey
U. S. Department of the Interior
Washington 25, D.C.

Re: OME 6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Dear Mr. Johnson:

We are anticipating some difficulty and possible delay in securing the services of a qualified diamond drilling contractor for work on this proposed project during the coming field season. To minimize the possible delay we would like to schedule the work as soon as possible with a contractor before he has committed all of his equipment for the season.

With this in mind, I should like to inquire as to the progress of your office in processing this application.

Thank you for your attention to this matter.

Sincerely,

C. H. Reynolds

C. H. Reynolds

CHR/ds
cc: Mr. D. R. MacLaren

Form 7
(3)

OFFICIAL FILE COPY

Date	Surname	Code
2/16/66	Kirkemo	120
	Selfridge	120
2/21	Johnson	110
2/26	Cole	220
2/23	Kilgarvin	
2/25	Trent	
2/24	Hyman	
	Baker	
		120

FEB 26 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6455 (Cold-Silver)
Continental Quicksilver, Inc.
De Lamar Mine
Owyhee County, Idaho

Enclosed are the original and four copies of a proposed contract for the subject mine. The contract consists of ~~BM~~ Form 50 (7 pages), Annex I (2 pages), one Lien and Subordination Agreements, Exhibit A (5 pages), Exhibit B (1 page), and one map (Figure 1). All copies have been signed by the Director for the Government. The date for commencement of the work has been inserted. An extra unsigned copy of the contract is also enclosed for field use.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6-3/4 percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

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

We call to your attention our letter of December 23, 1965, to the Applicant wherein we urged that he stake the unclaimed fraction near diamond drill Hole 5. It is not necessary that he make a special trip in the winter time to do this, but he should do so when he resumes work in the area in the spring.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
HKirkemo/mm (2/16/66)

OME Reading File
Mr. Selfridge
Mr. Kirkemo

23263

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites D-8 16 hours @ $20.00/hr. D-7 20 hours @ $16.00/hr. D-6 23 hours @ $14.00/hr. (rounded)	$ 320.00
Mobilization and demobilization, two surface drill units	1,400.00
Overburden drilling and setting of casing 140 feet @ $12.50/foot	1,750.00
Diamond core and plug bit drilling 7,200 feet	49,720.00

Depth ft.	Size	Price per ft.	Total ft.	Cost
0-500	NX	$6.90	(2,000)	$27,025.00
	BX	6.40	4,000	
	AX	5.90		
	Plug bit	7.35	(1,500)	
500-750	BX	6.90	2,000	13,800.00
	AX	6.40		
750-1000	BX	7.35	1,050	7,717.50
	AX	6.90		
Over 1000	BX	7.85	150	1,177.50
	AX	7.40		
			7,200	$49,720.00

MME FORM 6
REV. 2-5

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor, 6042~~		
2. Harold Kirkemo 4450		
3.		
4.		
5.		

B-66-2018.11
INTERIOR DEPT.
FEB 2- 1966
SOLICITOR

FROM: Chief, Office of Minerals Expl. 2/2/66

FOR: Check items for action desired

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

REMARKS:

FROM SOLICITOR
FEB 1 5 1966
FOR SIGNATURE

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

M56300-62

DRAFT HKirkemo/mm
1/25/66

Docket

MME Form 50
June 1963

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

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6455	Gold-Silver	14-23-090-	Owyhee	Idaho

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

Continental Quicksilver, Inc., a California corporation

whose mailing address is 820 South Ninth Street, Grand Junction, Colorado 81502, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 15, 1966 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 18 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 61,360.00. The Government will contribute ~~50~~ 62½ percent of the allowable costs as they are incurred, in a total sum not in excess of $ 38,350.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.-- If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

CONTINENTAL QUICKSILVER, INC.
(Operator)

By _____

By _____
Director
U. S. Geological Survey

Title _____

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

48258

DRAFT HKirkemo/mm
1/21/66

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OMK-6455

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of sixteen (16) patented lode mining claims in sections 4, 5, 8, and 9, T. 5 S., R. 4 W., Boise Principal Maridian, De Lamar district, Owyhee County, Idaho.

The outer boundary of the claims is shown in heavy outline on Figure 1, entitled "Map Showing Operator's Property Rights, and Location of Proposed Drill Holes, De Lamar Mine, Owyhee County, Idaho" which is attached hereto and made a part hereof.

The claims included in the group are as follows:

Claim	Patent No.
Boston	20972
Cash	22255
Chicago	17931
Christian Wahl	17932
Crown Prince & Bismark Consolidated	22257
Denver	21442
Hope	22256
Iburg	30600
Idaho	16692
New York	20973

Philadelphia	21441
Phoebe Grace	21444
San Francisco	21443
Torpedo	30598
Wilson	16476
Zulu	30599

The Operator is in possession of the claims by virtue of an Escrow Agreement dated December 27, 1965, of the De Lamar Lease and Option dated October 31, 1963, between Continental Quicksilver, Inc., and Marian C. Rushing, Charles T. Lark, Jr., George H. Lark, and Loye Lark Lauder, as first amended on December 1, 1964.

A Lien and Subordination Agreements executed by the owners of the claims is attached hereto and made part hereof.

A Special Agreement Concerning Land

In the event the Operator, the parent company thereof, or any subsidiary of either (whether wholly owned or otherwise) at any time during the period expiring ten years from the date of this contract acquires any interest, title, or equity in or with respect to any land, including minerals therein, situate within 1,500 feet of the southern boundary of the land described in this contract, it is agreed that such land shall thereupon become subject to the provisions of this contract, and the parties hereto shall promptly execute amendments to this contract listing such land as land included in this contract.

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EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
GME-6455

EXHIBIT A

The purpose of this project is to explore by core and plug bit drilling from surface drill sites for gold-and silver-bearing ore bodies in the Seventy-seven and Sommercamp vein systems in igneous rocks of probable Miocene age.

General Provisions

A bulldozer equivalent to at least a Caterpillar D-6 shall be used in the preparation of access roads and drill sites.

All drill holes shall be cased through the overburden. The holes shall be completed not less than AX core size (core diameter not less than 1-1/8") or equivalent wire line size.

Drill hole intercepts of the target areas shall be no less than 100 feet from the boundaries of the claim group outlined on the map previously referred to in Annex 1.

Facilities shall be provided for recovering diamond drill sludge, and such sludge shall be retained when drilling in significantly mineralized ground.

The diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depths represented.

Significantly mineralized core in lengths not to exceed 5 feet each shall be split and one split assayed for gold and silver. Wherever the core recovery is less than 60 percent, a split of the corresponding retained sludge and a split of such core as may have been recovered shall be assayed separately and the assay results combined according to standard practice to represent a single sample. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

All drill holes shall be logged, and copies of the logs of completed holes together with plans and sections showing geology and assays shall be furnished monthly to the Government. Such logs shall be accompanied by true copies of assay certificates for all samples.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to prior Government approval.

The bearing and inclination of each drill hole shall be determined with an in-hole surveying instrument (Tropari compass or equivalent) at 200-foot intervals during the drilling in order

to locate the hole with respect to the target area. If experience in the first three holes proves that the holes do not deviate beyond the course necessary to intersect the targets, such measurements may be made only as conditions require in subsequent holes.

The Government will not participate in the costs incurred for incomplete drill holes.

Description of the Work

The work shall consist of bulldozing access roads to 8 drill sites, leveling the sites, and drilling not more than 8 holes totalling not more than 7,200 feet.

The drill sites shall be located west of the Seventy-seven vein system except Hole 5 which shall be west of the Sommercamp vein system. The drill holes shall be inclined so as to cut the vein systems in the foot wall of the De Lamar and Sommercamp faults. The drill sites are shown on Figure 1 referred to previously.

All holes are to be drilled on a bearing of N.60° E. unless results of drilling dictate changes in the course of subsequent holes. The target vein system, inclination, approximate length, and the range in elevation of the target in each hole are as follows:

Hole No.	Inclination degrees	Length ~~ft.~~ feet	Target: Vein system	Target: Elevation range, ft.* From	Target: Elevation range, ft.* To
I B	-52	850	77	5950	5850
3 A	-50	850	77	5840	5700
3 B	-54	750	77	5880	5770
4 A	-50	1000	77	5650	5530
4 B	-50	900	77	5700	5650

5	-50	800	Sommercamp	5800	5650
6 A	-50	1150	77	5460	5420
6 B	-50	900	77	6540	5670
Total		7200			

*Assuming De Lamar 12 level at 5,800 ft. elevation.

Holes 1B, 3A, and 5 shall be drilled initially. Depending upon the geologic and assay results from these holes, Holes 3B, 4A, 4B, 6A, and 6B may be drilled as necessary to obtain the maximum information in the respective cross sections. The proposed location, bearing, inclination, and lengths of all holes except 1B and 5 may be changed by the results obtained from the previously drilled holes.

The second hole in each cross section, if drilled, on the Seventy-seven vein system may be drilled with a plug bit for a distance of about 500 feet, or to the point where core recovery is necessary for geologic or sampling purposes. The remainder of the distance shall be core drilled.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites	$320.00
D-8 16 hours @ $20.00/hr.	
D-7 20 hours @$16.00/hr.	
D-6 23 hours @ $14.00/hr. (rounded)	
Mobilization and demobilization, two surface drill units	1,400.00
Overburden drilling and setting of casing 140 feet @ $12.50/foot	1,750.00
Diamond core and plug bit drilling 7,200 feet	49,720.00

Depth ft	Size	Price per ft	Total ft	Cost
0-500	BX	$6.40	4,000	$27,025.00
Interchange	NX	6.90	(2,000)	
	AX	5.90		
	Plug bit	7.35	(1,500)	
500-750	BX	6.90	2,000	13,800.00
	AX	6.40		
750-1000	BX	7.35	1,050	7,717.50
	AX	6.90		
Over 1000	BX	7.85	150	1,177.50
	AX	7.40		
			7,200	$49,720.00

Cement, drill mud, additives, and lc Hole-plugging agents	1,880.00
Cardboard core boxes 500 @ $1.00/each	500.00

Reaming and casing 80 hours @ $12.00/hour 1/	960.00	
Cementing and redrilling 80 hours @ $12.00/hour	960.00	
Surveying with in-hole instrument		
30 hours @ $12.00/hour	360.00	
Total Estimated Actual Costs		$57,850.00

Fixed Unit Costs

Incidental cost per foot of drilling completed		
7,200 feet @ $0.35/foot 2/	$2,520.00	
360 core and sludge samples for gold and silver assays @ $2.75/sample	990.00	
Total Estimated Fixed Unit Costs		$ 3,510.00
Total Estimated Cost of the Project		$61,360.00
Government Participation @ 62½%		$38,350.00

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever such as supervision, labor, equipment, payroll taxes, F.I.C.A. Insurance, etc. that would otherwise be allowable under Categories (2) through (7) of the contract.

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EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME- 6455

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of sixteen (16) patented lode mining claims in sections 4,5,8 and 9, T.5S., R. 4 W., Boise Principal Meridian, De Lamar district, Owyhee County, Idaho.

The outer boundary of the claims is shown in heavy outline on Figure 1, entitled "Map Showing Operator's Property Rights, and Location of Proposed Drill Holes, De Lamar Mine, Owyhee County, Idaho" which is attached hereto and made a part hereof.

The claims included in the group are as follows:

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Chicago	17931
Christian Wahl	17932
Crown Prince & Bismark Consolidated	22257
Denver	21442
Hope	22256
Iburg	30600
Idaho	16692
New York	20973
Philadelphia	21441
Phoebe Grace	21444
San Francisco	21443
Torpedo	30598
Wilson	16476
Zulu	30599

The Operator is in possession of the claims by virtue of an Escrow Agreement dated Dec. 27, 1965 of the DeLamar Lease and Option dated October 31, 1963 between Continental Quicksilver, Inc., and Marian C. Rushing, Charles T. Lark, Jr., George H. Lark, and Loye Lark Lauder, as first amended on December 1, 1964, [redacted].

A Lien and Subordination Agreements executed by the owners of the claims is attached hereto and made part hereof.

A Special Agreement Concerning Land

In the event the Operator, the parent company thereof, or any subsidiary of either (whether wholly owned or otherwise) at any time during the period expiring ten years from the date of this contract acquires any interest, title, or equity in or with respect to any land, including minerals therein, situate within 1500 feet of the southern boundary of the land described in this contract, it is agreed that such land shall thereupon become subject to the provisions of this contract, and the parties hereto shall promptly execute amendments to this contract listing such land as land included in this contract.

DRAFT 9/23/65

HKirkemo/mm

EXPLORATION CONTRACT
CONTINENTAL QUICKSILVER, INC.
OME-6455

EXHIBIT A

The purpose of this project is to explore by core and plug bit drilling from surface drill sites for gold and silver-bearing ore bodies in the Seventy-seven and Sommercamp vein systems in igneous rocks of probable Miocene age.

Insert

General Provisions

All drill holes shall be cased through the overburden. The holes shall be completed not less than AX ~~wireline~~ core size (core diameter not less than 1-1/8") or equivalent wireline size. ?

~~The~~ Drill hole intercepts of the target areas shall be no less than ~~No drilling shall be done within~~ 100 feet ~~of~~ from the boundaries of the claim group outlined on the map previously referred to.

Facilities shall be provided for recovering diamond drill sludge, and such sludge shall be retained when drilling in significantly mineralized ground.

The diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depths represented.

Start

Significantly mineralized core (in lengths not to exceed 5 feet each) shall be split and one split assayed for gold and silver. Wherever the core recovery is less than 60 percent, a split of the corresponding retained sludge and a split of such core as may have been recovered shall be assayed separately and the assay results combined according to standard

5' lengths

A bulldozer equivalent to at least a Caterpillar D-6 shall be used in the preparation of access roads and drill sites.

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

GEOLOGICAL SURVEY

practice to represent a single sample. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to source and location. The ~~remaining~~ stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

All drill holes shall be logged, and copies of the logs of completed holes together with plans and sections showing geology and assays shall be furnished monthly to the Government. Such logs shall be accompanied by true copies of assay certificates for all samples.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to prior Government approval.

The bearing and inclination of ~~the~~ each drill hole~~s~~ shall be determined with an in-hole surveying instrument (Tropari compass or equivalent) at ~~150~~ 200-foot intervals during the drilling in order to locate the hole with respect to the target area. If experience in the first three holes proves that the holes do not deviate beyond the course necessary to intersect the targets, such measurements may be made only as conditions require in subsequent holes.

The Government will not participate in the costs incurred for incomplete drill holes.

Description of the Work

The work shall consist of bulldozing access roads to 8 drill sites, leveling the sites, and drilling not more than 8 holes totalling not more than ~~7,600~~ 7,200 feet.

The drill sites shall be located ~~on the hanging wall side~~ west of the Seventy-seven vein system except Hole 5 which shall be west of the ~~and~~ Sommercamp vein systems. The drill holes shall be inclined so as to cut the vein systems in the foot wall of the De Lamar and Sommercamp faults. The drill sites are shown on Figure 1 referred to previously. ~~2, entitled "Map Showing Location, Bearing, and Inclination of Proposed Drill Holes, De Lamar Mine, Owyhee County, Idaho".~~

All holes are to be drilled on a bearing of N.60°E. unless results of drilling dictate changes in the course of subsequent holes. The approximate length, inclination, ~~depth,~~ target vein system, and the range in elevation of the target ~~of the proposed holes are approximately~~ in each hole are as follows:

Hole No.	Inclination (degrees)	Length (ft.)	Target: Vein system	Target: Elevation range, ft.* From	Target: Elevation range, ft.* To
~~1B~~ I B	-52	850	77	5950	5850
3 A	-50	850	77	5840 ~~(5810)~~	5700
3 B	-54	750	77	5850 ~~(5850)~~	5770 ~~5750~~
4 A	-50	1000	77	5650	5530
4 B	-50	900	77	5700 ~~(5680)~~	5650 ~~(5630)~~
5	-50	800	Sommercamp	5800 ~~(5730)~~	5650 ~~(5630)~~
6 A	-50	1150 ~~(1250)~~	77	5460 ~~(5400)~~	5420 ~~(5330)~~
6 B	-50	900 ~~(1200)~~	77	5540 ~~(5560)~~	5670 ~~(5450)~~
Total		~~(7600)~~ 7200			

* Assuming De Lamar 12 level at 5,800 ft elevation.

Holes 1B, 3A, ~~1A~~, and 5, ~~and~~ shall be drilled initially. Depending upon the geologic and assay results from these holes, Holes 3B, 4A, 4B, ~~and~~ 6A, and 6B may be drilled as necessary to obtain the maximum information in the respective cross sections. The proposed location, bearing, inclination, and ~~depth~~ lengths of all holes except 1B and 5 may be changed by the results obtained from the previously drilled holes.

The second hole in each cross section, if drilled, on the Seventy-seven vein system may be drilled with a plug bit for a distance of about 500 feet, or to the point where core recovery is necessary for geologic or sampling purposes. ~~The~~ remainder of the distance shall be core drilled.

Estimated Costs of the Project

~~XXXXXXXXXXXXXXXX~~

Actual costs

Category (1) Independent Contracts

		MacPherson except *
Preparation of access roads and drill sites by bulldozing 16 hours @ $20/hour	~~$ 320.00~~	$ 320.00*
Mobilization and demobilization, two surface drill units	~~1,200.00~~	1400.00
Overburden drilling and setting of casing ~~160~~ 140 feet @ $12.50/foot (~~Betty O'Neil @ $5.95/ft.~~) = $840	~~1,750.00~~	1750.*
Diamond core and plug bit drilling 7,600 feet	~~60,660.00~~	52,820.

see new data

Depth	Size	Price per ft.	Total ft.	Maximum cost
0- 250	BXWL	$7.25	2,000	$14,500.00
	AXWL	6.75		
	Plug bit	7.25	(750)	
250 - 500	BXWL	7.75	2,000	15,500.00
	AXWL	7.25		
	Plug bit	7,75	(750)	
500 - 750	BXWL	8.25	2,000	16,500.00
	AXWL	7.75		
Over 750	BXWL	8.85	1,600	14,160.00
	AXWL	8.35		
	Totals		7,600	$60,660.00

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

Cement, drill mud, additives, and hole-plugging agents ~~Betty O'Neil (3250 ft.)~~ $1,875*

Cardboard core boxes 500 @ $1.00/each 500*

Reaming and casing ~~210 feet @ $3.50/foot all sizes~~ 80 hours @ $12 1)	$ ~~735.00~~	960.00
Cementing and redrilling 80 hours @ $12.50/hour	~~1,000.00~~	960.00
Surveying with in-hole instrument 30 hours @ $27.50/hour $12.00/hour	~~825.00~~	360.00
Fixed Unit Costs		
Incidental cost per foot of drilling completed 7,600 feet @ $0.70/~~hour~~ foot $0.35/foot 2) ~~@ $0.60/foot~~	5,320.00	2,685.00
360 core and sludge samples for gold and silver assays @ $2.75/sample	990.00	990.00
Total Estimated Cost of the Project	~~$XXX,XXX.XX~~ $72,800.00	64,620.00
Government Participation @ 62½%	~~$45,500.00~~ $45,500.00	40,390.00

1) The Government will not contribute to the cost of casing left in place at the request of the Operator.

2) Includes all costs whatsoever such as supervision, labor, equipment, payroll taxes, F.I.C.A. Insurance, ~~supplies, core boxes,~~ etc. that would otherwise be allowable under Categories (2) through (7) of the contract.

out core boxes casing fishing tools etc out.

Estimated Costs of the Project

XXXXXX

Actual Costs

Category (1) Independent Contracts

Preparation of access roads and drill sites by bulldozing 16 hours @ $20.00/hour — 320.00

Mobilization and demobilization, two surface drill units — 1,400.00

Overburden drilling and setting of casing 140 feet @ $12.50/foot — 1,750.00

Diamond core and plug bit drilling ~~7,600~~ 7,200 feet ~~52,820.00~~ 49,720.00

	Size	Price per ft	Total ft.	Cost
0-500	BX	$6.40	4,000	27,025.00
	NX	6.90	(2,000)	
	AX	5.90		
	Plug bit	7.35	(1,500)	
500-750	BX	6.90	2,000	13,800.00
	AX	6.40		
750-1000	BX	7.35	~~1,150~~ 1,050	~~8,460.00~~ 7,717.50
	AX	6.90		
Over 1000	BX	7.85	~~450~~ 150	~~3,535.00~~ 1,177.50
	AX	7.40		
			~~7,600~~ 7,200	~~$52,820.00~~ $49,720.00

Cement, drill mud, additives, and hole-plugging agents — ~~1,875.00~~ 1,880.00

Cardboard core boxes 500 @ $1.00/each — 500.00

Reaming and casing 80 hours @ $12.00/hour 1/	$960.00
Cementing and redrilling 80 hours @ $12.00/hour	960.00
Surveying with in-hole instrument 30 hours @ $12.00/hour	360.00

Fixed Unit Costs

Incidental cost per foot of drilling completed 7,200 ~~7,600~~ feet @ $0.35/foot 2/	2,520.00 ~~2,685.00~~
360 core and sludge samples for gold and silver assays @ $2.75/sample	990.00
Total Estimated Cost of the Project	61,960.00 ~~$64,620.00~~ 61,360.00
Government Participation @ 62½%	38,725.00 ~~$40,390.00~~ 38,350.00

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever such as supervision, labor, equipment, payroll taxes, F.I.C.A. Insurance, etc. that would otherwise be allowable under Categories (2) through (7) of the contract.

Reaming and casing 80 hours @ $12.00/hour 1/	$960.00	
Cementing and redrilling 80 hours @ $12.00/hour	960.00	
Surveying with in-hole instrument		
30 hours @ $12.00/hour	360.00	$57,850.00

Fixed Unit Costs

Incidental cost per foot of drilling completed		
7,200 feet @ $0.35/foot 2/	$2,520.00	
360 core and sludge samples for gold and		
silver assay @ $2.75/sample	990.00	3,510.00
Total Estimated Cost of the Project	$61,360.00	
Government Participation @ 62½%	$38,725.00	

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever such as supervision, labor, equipment, payroll taxes, F.I.C.A. Insurance, etc. that would otherwise be allowable under Categories (2) through (7) of the contract.

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. D. R. MacLaren		
2.		
3.		
4.		
5.		
FROM: H. Kirkemo	1/25/66	

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information ____

REMARKS:

Enclosed for your file are Plan Map and Cross Sections on OME Docket 6455, Continental Quicksilver, received in the Washington Office Dec. 20, 1965.

INT.-DUP. SEC., WASH., D.C. M56300-62

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/6/66	Nakamo	120
	Jelbridge	120
1/8	Johnson	110
1/7	Cal	220
		110

JAN 7 1966

Continental Quicksilver, Inc.
820 Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho

Gentlemen:

This is to acknowledge receipt of your letter of December 27, 1965, with certified copy of Escrow Agreement & Delamar Lease and Option.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MMerrithew/mm (1/5/66)
cc: Director's Reading file
Division File
Economic Geology File
OME File
OME Reading File
Region I w/cy of incoming ltr.

23263

PHONE: 292-2140

ONTINENTAL MATERIALS CORPORATION

ECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

December 27, 1965

OFFICIAL COPY
C. M. E.
RECEIVED
EC 29 1965

INITIALS	CODE
	120
	~~120~~
HK	~~120~~ K

Mr. George Selfridge
U.S. Department of the Interior
U.S. Geological Survey
Office of Minerals Exploration
Washington 25, D.C.

Re: OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Dear Mr. Selfridge:

This will supplement my letter of December 2, 1965 with respect to the title of the DeLamar Mine. I enclose for your records a certified true copy of Escrow Agreement -- DeLamar Lease and Option dated December 27, 1965 among Continental Quicksilver, Inc., Marian C. Rushing, Charles T. Lark, Jr., et al.

left side of blotter

If your office requires any further documentation on this matter, please advise me.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By Sidney M. Gunther
Sidney M. Gunther

dw
enc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/23	Kirkemo	120
	On leave	120
12/23	Johnson	110
	Carr	220
		120M

DEC 23 1965

Continental Quicksilver, Inc.
820 Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Gentlemen:

This is to acknowledge receipt of your letter of December 13, 1965, and of three sets of prints of a revised plan map and sections showing underground geology at the DeLamar mine. We will send one copy of this material to Mr. MacLaren in our Regional Office in Spokane.

We appreciate the time required for you to reconsider the geologic information and to prepare the revised maps and sections. It was not our intent to doubt the validity of your original projection of the 77 vein, but to inquire if it had as firm support as Piper and Laney's projection. The fact that you decided to plan the proposed drilling on the basis of the latter authority suggests that perhaps the effort was worthwhile.

In regard to the unclaimed fraction within the boundaries of your ground, it is not necessary for purposes of your application to make a special trip this winter to cover it with a new location. We urge you to stake it when you resume work there next spring.

We have not received as yet certified copies of the signed Escrow Agreement--DeLamar Lease and Option, but we will resume processing your application with the new material acknowledged above.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/gla (12/23/65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Region I w/cy 12/13/65
Appl.'s letr. and 2 maps
OME Reading File
Harold Kirkemo

23263

AREA CODE 303
PHONE: CHAPEL 3-2100

CONTINENTAL MATERIALS CORPORATION

MINING FIELD OFFICE: 820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

Conf
O. M. E.
RECEIVED
DEC 20 1965
INITIALS | CODE
120 mga
~~120~~
120 K

December 13, 1965

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: OME-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine, Owyhee
County, Idaho

Dear Mr. Johnson:

In regard to your letter of December 7th, we are sending you three sets of prints of a revised plan map and sections showing underground geology. This geology is taken directly from Piper and Laney, Idaho Bureau of Mines Bulletin 11. As you are aware, the location of the 77 vein zone to the southeast is anything but clear. With this in mind we would propose to drill Holes 1A and 3A first for geologic information as well as exploration. The location of subsequent holes could then be fixed in sequence by mutual agreement between the O.M.E. field representative and our geologic staff.

The location, attitude and depth of the holes as revised is as follows:

Hole	New Location	Bearing	Inclination	Depth
DDH-1A	102,860E-97,980N	N60°E	-45°	830'
1B	102,860E-97,980N	"	-54°	850' -52° on X Sec.
2A	103,075E-97,645N	"	-50°	935'
2B	103,210E-97,720N	"	-50°	800'
3A	103,590E-97,470N	"	-50°	850'
3B	103,755E-97,570N	"	-54°	750'
4A	103,535E-96,980N	"	-50°	1,000'
4B	103,670E-97,055N	"	-50°	900'
5	101,750E-97,340N	"	-50°	800'
6A	103,830E-96,685N	"	-50°	1,150'
6B	104,070E-96,820N	"	-50°	900'
			Total =	9,765'

CONTINENTAL MATERIALS CORPORATION

Mr. Frank E. Johnson
Chief, O.M.E.
Washington, D. C.

December 13, 1965

As you will note, the depth of these proposed holes has not changed from those proposed in the original application. Holes 6A and 6B were added to the proposed program by a supplemental letter at the suggestion of Mr. Lowell Hilpert. We have assumed that these holes could be added to the program at the same unit cost as the other holes. The location of the No. 5 hole into the Sommercamp vein zone has been changed slightly.

The fraction, bounded by the patented claims Iburg, Zulu, Crown Prince and Bismark Consolidated claims apparently does exist on the ground. This fraction will be covered by a new location prior to the commencement of drilling next Spring. If the existence of this open ground will in any way delay the execution of the exploration contract, arrangements will be made to snowshoe into the area this winter to make the location.

The relocation of the holes will place Hole 6A well inside the claim group.

If there are any further problems, or questions, please let us know.

Sincerely,

C. H. Reynolds

C. H. Reynolds
General Superintendent

CHR/ds
cc: S.M. Gunther
M.W. Cox
Encls.

OFFICIAL FILE COPY

Date	Surname	Code
12/6/65	Kirkorno	
	Selfridge ✓	
12/7	Gee	220
		120 M

AIRMAIL

DEC 7 1965

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OMK-6455 (Gold-Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Gentlemen:

While processing your application to explore the DeLamar property, we encountered a geologic problem which may influence the location, inclination, and depth of some of the proposed drill holes. We believe this should be resolved before processing the application further.

The problem is the difference in location of the 77 vein target area on the 16th level as shown on Plate XII in Idaho Bulletin 11 by Piper and Laney, and as shown on your map of the target area. Piper and Laney projected the 77 vein on a bearing of S. 55°E. from an intersection in Drill Hole No. 3 on the 16th level. Your target map shows a bearing of about S. 40°E. from the face of the south drift on the 16th level. A divergence of about 15° in strike of the vein projection on the two maps prompts us to inquire whether your projection is based on information which was not submitted with your application.

If Piper and Laney's projection is correct, the 77 vein would be further east of your center line of reference than your maps and cross sections indicate. The differences are illustrated as follows:

Cross Section	Distance To 77 Vein From Center Line Of Reference: Piper and Laney Map	Distance To 77 Vein From Center Line Of Reference: OMK Application Map
6	780 feet	620 feet
7	960 "	680 "
8	1,130 "	760 "

These figures suggest greater accuracy than the projections warrant, but the differences are significant, and it would be well to reexamine the drilling plans before proceeding further.

23263

Please look into this problem and advise us if the original plans for the drill holes along these sections should be changed. If any changes are necessary, submit new maps and cross sections showing the new plans. If the total footage is changed, a new cost estimate would be required.

Perhaps the projected location of the Sommercamp vein zone should be checked also because of differences in projections of the DeLamar fault and Sommercamp fault on the two sets of maps mentioned above.

We also note that there may be a small fraction of unclaimed ground within your claim group. This is an area bounded by the Iburg, Zulu, and Crown Prince and Bismark Consolidated claims. The area does not cover any of the proposed drilling, but it lies just east of the end of proposed Drill Hole 5.

The present site of proposed Drill Hole 6A is outside your claim group. If you change the site after considering the problem discussed above, perhaps a new location would be within your claims. This is not a serious problem but you may want to have the drill site on your own ground because all work on an OME contract should be done within the claim boundaries, if possible.

This letter will acknowledge receipt this morning of an advance copy of Escrow Agreement -- DeLamar Lease and Option from Mr. Sidney M. Gunther, Continental Materials Corporation. We understand that certified copies of the signed agreement will be forwarded when available.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/mm (12/6/65)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Region I w/cy of incoming ltr
Mr. Kirkemo

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/29		120 K
"	[illegible]	120
11/30	[illegible]	110
		120 M

November 24, 1965

Memorandum

To: The File

From: Harold Kirkemo, Geologist

Subject: Report on conversation with D. R. MacLaren, Field Officer, Region I

I called MacLaren today for information regarding an appropriate starting date for a contract with Continental Quicksilver, Inc., OME-6455. MacLaren reported that C. H. Reynolds, Manager, had suggested June 15, 1966.

MacLaren said he had a backlog of six reports to write and that presently he was writing a report on the Sydney Mining Co.'s Cook claims property, OME-6481.

He advised me that his files on Keystone Mines, Inc., OME-6304, had been sent to Bob Chapman and that until they were returned together with additional information he had requested, he could not respond to our request on November 18 for a recommendation regarding certification.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
Division File
Economic Geology File
OME Docket 6455
" " 6481
" " 6304
OME Reading File
Kirkemo

8623

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	10/28/65	
2. Re: OME-6455 (Silver) Continental Quicksilver, Inc.		
3. DeLamar Mine Owyhee County, Idaho		
4.		
5. M. L. Smelser for		
FROM: D. R. MacLaren, Fld. Offr., Reg. I		

FOR: Check items for action desired

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

REMARKS: Attached is a signed copy of Notice of Exercise of Option dated 8/6/65 which was requested from the subject applicant; also, attached is corre. re. this matter.

INT.-DUP. SEC., WASH., D.C. M56300-59

11:00 AM
12/2/65

George:
The incoming call from Sidney Gunther, Continental Quicksilver, Chicago, Ill. no doubt concerns my request to MacLaren Monday Nov. 29 (phone) to ask Continental for the true copies of the document whereby the option was exercised on October 12, 1965.

We have on hand only the notice of exercise of option.

I have recalculated this contract draft and reached a total project cost of $64,620 of which $40,390 would be Government Kirk

PHONE

CONTINENTAL MATERIALS CORPORATION

4534 W. NORTH AVENUE • CHICAGO 39, ILLINOIS

October 15, [illegible]

HK	120
	120

Mr. D. R. MacLaren, Acting [illegible]
Office of Minerals Exploration, [illegible]
United States Department [illegible]
Office of Minerals Exploration
South 1[illegible] Howard Street
Spokane, Washington [illegible]

Re: [illegible]ME-[illegible] (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Dear Mr. MacLaren:

Mr. C. H. Reynolds of [illegible] Corporation, in a phone conversation this morning told me [illegible] and asked for signed copies of the Notice of Exercise of Option, dated August 5, 196[illegible], by which our subsidiary, Continental Quicksilver, Inc., exercised its option on the DeLamar property.

I enclose for your records two [illegible] copies, each executed on behalf of Continental Quicksilver, Inc. by Gerald Oldwits, Vice President, and Melvin Pollack, Secretary.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By /S/ Sidney M. Gunther
Sidney M. Gunther

r
enc.

NTINENTAL MATERIALS CORPORATION

Mr. L. R. Mac[illegible]
Office of Mi[illegible]
United States Department of the Interior
Office of Minerals Explo[illegible]
South 157 Howard Street
Spokane, Washington [illegible]

Re: [illegible]

Dear Mr. MacIlwer.

Mr. C. H. Reynolds [illegible] forward me to advise you of the details of the exercise [illegible] of subsidiary Continental Quicksilver, [illegible] property. For your information I enclose [illegible] the 2 Exercise dated August 6, 1965. Copies [illegible] on behalf of Continental Quicksilver, Inc. by [illegible] shown, were forwarded to each of the owners. Thereafter, [illegible] owners acknowledged that the option had been exercised.

Since [illegible],

CONTINENTAL MATERIALS CORPORATION

/s/ Sidney W. Gunther
By Sidney W. Gunther

jk
enc. 2

cc: CH Reynolds

CONTINENTAL QUICKSILVER, INC.

4534 West North Avenue

Chicago 39, Illinois

August 6, 1965

Charles T. Lark, Jr.

George H. Lark

George Lauder, Charles T. Lark, Jr. and
Bankers Trust Company, as Co-Executors
of the Estate of Loye Lark Lauder, Deceased

c/o Charles T. Lark, Jr.
501 Fifth Avenue
New York, New York 10017

Miss Marian C. Rushing
5317 N.W. Fruit Valley Road
Vancouver, Washington 98660

Notice of Exercise of Option
De Lamar Lease and Option

Continental Quicksilver, Inc. hereby exercises its option pursuant to paragraph 2 of De Lamar Lease and Option, dated October 31, 1963, between Continental Quicksilver, Inc. and Marian C. Rushing, Charles T. Lark, Jr., et al, as amended.

The closing pursuant to subparagraph 3(a) of the De Lamar Lease and Option shall be held on October 12, 1965, at 10:30 A.M. at Harris Trust and Savings Bank, Chicago, Illinois. At the closing, Continental Quicksilver, Inc. will deposit into escrow $5,000 and the owners will place in escrow the deed described in subparagraph 3(a).

CONTINENTAL QUICKSILVER, INC.

By _____
Gerald Gidwitz, Vice President

ATTEST:

_____
Melvin Pollack, Secretary

Apply for Applicant's New Leads

Ask Mac to find out when reasonable starting time would be next spring.

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 13, 1964

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 18 1965
INITIAL COPY
120
120

Memorandum

To: Harold Kirkemo

From: Field Officer, Region I

Subject: OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Relative to your telephone call of October 12, 1965, C. H. Reynolds called this morning to advise:

1. They are in process of exercising the option provided for on page 2 of the First Amendment to De Lamar Lease and Option, dated December 1, 1964. He will send pertinent documents when negotiations are completed.

2. They do not plan on doing any work before next spring.

On going through the docket, I found the enclosed remarks by Hilpert relative to costs. In view of the statement in his first paragraph I called Ed Tucker of Boyles Brothers in Spokane who gave me the more realistic figures for mobilization used in my cost estimate. Also in view of Hilpert's first paragraph, I used Boyles' bid without making a trial test with MacPherson's bid, other than to note that Boyles' bid was more specific with respect to charges for reaming, cementing, moving, etc., and that MacPherson implies a mobilization charge of $1400 for one drill, while Boyles, over the telephone, was definite in quoting $1200 for two drills. Nichols and Joy declined to bid.

Mac

D. R. MacLaren

Enclosure

Bid

The drilling costs, as indicated by Boyles Bros., in their letter to Reynolds, seem to be about average for the industry, except for their mobilization costs, which seem to be high. A good source from Sprague and Henwood told me that such charges are generally figured at $1 per mile per rig. From Salt Lake City the cost should be about $700 per rig; from Boise about $300 per rig.

Wire line equipment would probably use mud.

Contractors plan on making at least 20 ft per shift to break even in coring at $7.50/ft.

Tropari costs with Sprague and Henwood are $20 per hour, with the customer assuming the risk for loss of the instrument, which costs $1,500. The costs for use of the instrument is merely standby time.

For water truck, the charge is $30 per 8-hour shift for truck and driver while in use.

For non-core (plug-bit) drilling, the break-even point is about 35-40 ft per shift, which should cost about half as much as coring. Sprague and Henwood say the cost range should be within $2.50 to $3.50 per ft. To oversee the drilling should not require more than one-half a geologist's time and I see no reason why he should have a helper to handle 2 drill rigs on two shifts. His hours will be erratic but much time will be spent without need for his attention. Also I don't see why the Govt should pay for a consultant's salary and expenses. This should be optional with the company and at their own expense.

To Be Rented	Monthly Rental
	$
	_____
	$

At _____ mos. $

Divide by feet of drilling_____ $ /ft.

5 and 6. None

7. Miscellaneous

_____ wooden-cardboard core boxes
at $_____ ea. $

Geologist _____ (what part) mo.
at $_____/mo.

Assays

_____ determinations for _____
at $_____ ea.

_____ determinations for _____
at $_____ ea.

_____ $

Copy of Hilpert's handwritten comments relative to costs forwarded with MacLaren's memo of 10/13/65

The drilling costs, as indicated by Boyles Bros., in their letter to Reynolds seem to be about average for the industry, except for their mobilization costs, which seem to be high. A good source from Sprague and Henwood told me that such charges are generally figured at $1 per mile per rig. From Salt Lake City the cost should be about $700 per rig; from Boise about $300 per rig.

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MME FORM 6
REV. 2

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

TO: H. Kirkemo

		DATE	INITIALS
1.			
	Re: OME-6455 (Silver)	9/17/65	
2.	Continental Quicksilver, Inc.		
	DeLamar Mine		
3.	Owyhee County, Idaho		
4.			
5.	D. R. MacLaren		

FROM: Acting Fld. Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 20 1965

FOR: Check items for action desired

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

REMARKS: The map referred to in last sentence or paragraph of Cox's letter 8/2 to Reynolds is not in our file. I've check with Hilpert and it is not in his file. Also reproduction of "Tabulated Results of Twenty-two Years' Working" table is the only copy in our file.

SEC., WASH., D.C.

M56300-59

CONTINENTAL MATERIALS CORPORATION

520 SOUTH NINTH STREET P. O. BOX 1[illegible] GRAND JUNCTION [illegible]

August 4, 1965

RECEIVED
GEOLOGIC DIVISION
AUG 5 1965
GEOLOGICAL SURVEY
SALT LAKE CITY, UTAH

Mr. Lowell S. Hilpert
United States Geological Survey
6426 Federal Building
Salt Lake City, Utah

Re: DMR Docket 6455

Dear Mr. Hilpert:

Enclosed you will find material to supplement our Delamar project application as we discussed last week in your office.

Sincerely,

C. W. Reynolds
General Superintendent

CWR/ds

Addendum to 3f.

MANNING W. COX ASSOCIATES consulting geologists

57 post street san francisco, california YU 2-1436

August 2, 1965

Mr. C. H. Reynolds
Continental Materials Corporation
Box 190
Grand Junction, Colorado

Dear Mr. Reynolds:

With regard to the Continental Materials OME application on the Delamar property, I offer the following comments on the geology of the area, outlining the geologic philosophy which in my opinion is the basis for exploring the Delamar area.

Epithermal deposits such as that mined in Delamar have a limited vertical range. In the Creede district, for example, the vertical range is less than 400 feet although some ore bodies have been more than 15,000 feet along the strike. In the Pachuca district, similar ore bodies ranged from 500 to 1000 feet in vertical height, rarely exceeding 500 feet. The ore bodies in the Comstock Lode with few exceptions were never more than 500 feet high. However, the Comstock Lode was mined through a vertical range of 2500 feet. This is to say that the general zone in which epithermal deposits are formed has a limited vertical range with respect to individual ore bodies and the distance from the top to the bottom of mineralization is narrow and is generally related to some kind of a geologic surface. This surface usually is not the erosion surface. In the case of Delamar, in my opinion, this surface is the general Delamar fault. This would correspond to Wisser's contoured upper surface at Pachuca, or would correspond with the upper limit of mineralization in the Creede district which is the base of a bentonitic tuff. As you know, at Creede we have recently disclosed bonanza silver ores in an area that has no mineralization whatsoever at the surface.

Exploration below the 10th level in the Delamar mine did not explore the favorable shattered zone in the porphyritic quartz porphyry just below Delamar fault. It concentrated on exploring down the dip of the individual veins which dip led away from the favorable structural control. The 12th, 14th and 16th levels did not even come close to exploring this area. Had they explored it and found it to be barren, the chances of finding important ore deposits at Delamar would be materially lessened. This is, however, not the case.

This favorable structural intersection was pointed out long ago by Piper and Laney and our geologic work in 1964 seemed to indicate that veins of the 77 type, that is strong quartz veins, occupy tension fractures in some way related to the Delamar fault. As pointed out in my former report, we believe this fault is simply shearing along the edge of a major sill, the sill being the host rock for all the known ore. Because the dip of the sill is variable, and the dip of the

sheeted zone just underneath the sill is equally variable, it is impossible to pinpoint a target to be drilled with an accuracy of any greater than perhaps 100 feet. In my opinion this is sufficiently accurate.

The decrease in value referred to Lindgren largely came about because the so-called talc ores, that is the secondary ores which contained nuggets of pure silver along the Delamar fault itself, had been exhausted. We, of course do not expect to find any such material, but material with say 14 or 15 oz. silver and 1/4 to 1/3 oz. gold, if encountered in such quantities as found in the original Delamar, that is a few hundred thousand tons, will be a very interesting ore body.

The questions has been raised as to the economics of mining at a depth of 800 feet. Using the pretty well accepted rule of thumb of the cost of lifting a ton of material per hundred feet of roughly 5¢, there is no economic disadvantage in these days of mining to depths of 800 or even 2000 or 3000 feet. If the northwest trending fissures of the 77 vein type do make ore in the geologic environment in the hanging wall of the porphyry sill, that is the Delamar Fault, then there are many other places that merit exploration. Since this is the strongest of the structures if it does not make ore in this environment then the others have lesser geologic merit.

I enclose herewith a hand-marked copy of the geologic plan map showing the target areas outlined at the 12, 14 and 16 levels of the Delamar mine as projected southward.

Respectfully submitted,

M.W. Cox

M. W. Cox

MWC:jmj

addendum to section 3f

Rec'd SLC. 7/28/65

STATEMENT No. 4.

THE DE LAMAR MINING COMPANY, LIMITED.

(In Liquidation) and

THE DE LAMAR COMPANY, LIMITED.

Tabulated Results of Twenty-two Years' Working.

	Dry Tons Treated.	Assay Value Ore.	Price of Silver.	Bullion Produced. Gold.	Bullion Produced. Silver.	Shipping Ore Sold. Tons.	Shipping Ore Sold. Value.	Total Receipts at Mines.	Mine Expenses.	Dividends Paid.	Per Centage.	Capital Unexpended
		$	Cts.	Ozs.	Ozs.		$	£	£	£		£
1891-92	19,390	36·71	93·94	13,143	316,903	340	179,649	154,358	71,137	70,000	17½	45,350
1892-93	26,836	36·59	84·56	19,023	487,137	366	179,719	202,464	98,776	90,000	22½	56,581
1893-94	35,058	31·80	70·40	26,483	509,844	210	117,876	212,116	93,520	100,000	25	38,102
1894-95	40,603	27·74	62·03	29,671	368,048	268	104,001	196,754	93,217	90,000	22½	41,229
1895-96	41,117	25·40	66.53	24,499	434,310	193	90,762	183,946	98,415	80,000	20	34,723
1896-97	40,458	19·18	65.85	18,558	276,026	115	43,101	126,724	92,639	20,000	5	37,178
1897-98	42,789	14·42	57.10	17,834	152,207	30	13,536	95,800	83,140	10,000	2½	36,078
1898-99	46,333	11·82	58·48	19,031	35,370	34	13,420	91,846	74,390	10,000	2½	34,405
1899-00	53,323	11·00	58·40	21,276	52,278	20	10,667	111,124	85,041	10,000	2½	35,637
Tailings	12,078	6·13	58·94	2,379	14,620							
1900-01	49,542	10·56	61·09	18,723	55,703	28	2,076	114,176	84,612	20,000	5	35,622
Tailings	26,519	5·85	62·55	4,960	30,044							
Total Old Company	395,456	—	—	215,580	2,732,490	1,604	754,797	1,489,378	869,887	500,000	125	—
	38,597											
New Company												
1901-1902	35,468	14·07	57·60	20,435	26,368	23	1,637	106,098	62,815	28,000	35	60,274**
Tailings	19,750	5·44	57·34	3,410	13,498							
1902-1903	33,776	10·60	48·74	13,180	33,578	—	—	59,896	48,389	8,000	10	62,005
1903-1904	36,099	10·75	55·45	14,624	44,587	—	—	67,330	52,922	14,000	17½	61,295
1904-1905	37,409	11·53	57·42	16,688	39,232	—	—	76,070	53,986	20,000	25	62,295
1905-1906	13,895	11·33	59·81	5,797	16,307	5	707	[illegible]	44,022	—	—	50,594
1906-1907	13,897	18·70	[illegible]	6,872	30,799	6	[illegible]	[illegible]	[illegible]	—	—	48,582
1907-1908	32,002	12·52	[illegible]	13,750	158,994	7	[illegible]	[illegible]	[illegible]		—	44,83[illegible]
1908-1909	42,116	[illegible]	[illegible]	15,826	286,470	46	[illegible]	[illegible]	[illegible]		10	[illegible]
1909-1910	44,961	[illegible]	[illegible]	17,121	180,115	74	2,5[illegible]	[illegible]	[illegible]		5	[illegible]
1910-1911	[illegible]	[illegible]	[illegible]	18,549	279,164	64	4,875	[illegible]	[illegible]		[illegible]	[illegible]
1911-1912	40,620	10·[illegible]	[illegible]	14,458	279,723	—	—	[illegible]	91,133			38,9[illegible]
Tailings	4,967	2·78										
1912-1913	43,618	8·14	59·09	10,866	169,793	—	—	68,488	65,944	4,000	5	25,394
Tailings	1,602	2·56										
Total	[illegible]				[illegible]	[illegible]	776,0[illegible]	[illegible]	[illegible]	594,000	148½	
Tailings	64,916										[illegible]	

** Including various [illegible] accounts taken over from Old Company [illegible] Capital £80,000.

† [illegible] Silver were deducted by the smelters as indirect charges.

* 56 " " " "
† 77 " " " "
x 16 " " " "

LONDON WALL BUILDINGS
LONDON, E.C., 20th August 1913.

GEO. S. BURTON, [illegible]

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. H. Kirkemo	9/15/65	
2.		
3.		
4.		
5. D. R. MacLaren		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS:

The attached which consist of item 3 in the applicant's letter of 7/13 are the FO's copies and are not reproducible.

INT.-DUP. SEC., WASH., D.C. M56300-62

CONTINENTAL MATERIALS CORPORATION

Interoffice Correspondence

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 20 1965

INITIALS	CODE

To: C. H. Reynolds & Bill Cox

Date: 1/17/66

From: G. L. Brooke

Copies:

Subject: Resume of Mine and Mill Reports, DeLamar Mining Co., Ltd. for the period October 15, 1898 to June 8, 1901.

During this period the mill was enlarged from 100 to 150 tons per day. A tailings plant was constructed and operated during the summer months of 1900 and 1901.

Most of the ore extracted during this period came from the walls of old stopes, and from the follow-up of leads discovered in prospecting old stopes, drifts, etc. An attempt was made to hold mine heads at $11 per ton, with a $6 per ton cut-off figure. Some dumps were reclaimed.

The No. 2 incline was abandoned and allowed to flood. Development on the Sommercamp Section at the 8th level was very disappointing, and this area was abandoned.

In general, Huntly was very pessimistic about prospects at depth, and the mill tunnel (No.16) was not undertaken until it was recommended by a consultant (Bradley) from the Coeur'd Alenes. It was started in July, 1899, and by the end of this period over 5,700 feet of cross-cutting and drifting had been completed at a cost of $88,350.00. Supposedly the 77' vein was drifted on for 200 feet, but assayed less than $1 per ton. Several drill holes were proposed as a last, final effort, the station was cut for this purpose, but it is not known if the holes were actually drilled.

In driving the No. 16 adit the basalt-rhyolite contact was cut at 2,958 feet. It was found to be very soft and spiling was necessary.

As far as Huntley was concerned all ore with a value over $6 per ton was removed from the DeLamar Mine. For the last two years of this period he carried no reserves. He was of the opinion that there was about 100,000 tons of material that would assay $2 per ton ($20 Au & $.50 Ag) on the 8th, 9th, and 10th levels. This material was in the 77' vein which averaged about 15 feet wide.

A great deal of outside exploration work was carried on during this period with little success.

Other

1. The Henrietta was working in 1898, employing five men. The veins were reported to be high-grade silver, but very narrow.

2. The Trade Dollar-Black Jack mine started its lower adit, from the Dewey side, during this period. Electric power was brought to the property from a plant built on the Snake River.

3. A legal battle developed with Capt. Delamar over the use of zinc dust in the mill. The Capt. claimed the patent rights.

Summary of Production

I. 1899

	Dry Tons	Gross Product	Ave. Yield Per dry ton	Ave. Cost Per dry ton	Profit	Ave. Profit Per dry Ton
Shipping Ore	34.12	$ 13,420.60				
Milling	46,333.59	409,837.75				
Misc. Revenue		5,817.32				
Total	46,367.71	$429,075.67	9.2537	7.7887		1,4650
Mill Clean-up		20,471.99		.0805		
Grand Total		$449,547.66		7.8692		

II. 1900

Shipping Ore	20.03	$ 10,667.74			$ 7,753.86	
Milling	53,323.30	472,115.74			83,450.84	
Misc.		3,194.49			3,194.49	
Total	53,343.33	485,977.97	9.1103	6.6472	94,399.19	1.7696
Surplus 1899		2,330.83			2,330.83	
Tailings Plant	12,078.91	57,716.77	4.7130	1.5722	38,726.54	3.2061
Grand Total		$546,025.57			$135,456.56	

III. 1901

Shipping Ore	29.65	$ 2,075.89			$ 1,240.03	
Milling	49,774.25	427,756.18	8.5939	6.6570	56,087.65	
Misc.		3,442.53			3,442.53	
Total	49,802.90	433,274.60	8.6997	6.6532	60,770.21	1.2202
Surplus, 1900		4,312.13			4,312.13	
Tailings Plant	26,519.18	121,878.99	4.5958	1.5874	79,782.58	3.0084
Grand Total		$559,465.72			$144,864.92	

CONTINENTAL MATERIALS CORPORATION

Interoffice Correspondence

To: C. H. Reynolds & Bill Cox

Date: Dec. 9, 1963

From: G. L. Brooke

Copies:

Subject: Resume of Mine & Mill Reports, Delamar Mining Co.,Ltd. for the period of October 1892 to May 1894.

A fairly good review of this period can be obtained by reading the two mine managers annual reports, that is, May 1, 1893 (p.427) and May 1, 1894 (p.941). Notes made from these reports will be included. If a more detailed picture, that is, descriptions of working areas, etc., is desired, the monthly and weekly reports can be studied. Unfortunately some of these are either missing or unreadable.

In addition to the routine reports a great deal of correspondence is concerned with the Stoddard claim, alterations and additions to the mill, scarcity of water, scarcity of cordwood and mine timbers, a labor strike and a hotel fire.

Stoddard Claim - The company was threatened with legal action by one Timothy Regan, a 2/5 owner of the claim. He maintained that one of Delamar Mining Company's main veins apexed on this claim.

The issue was resolved out of court by an expenditure of $110,924.70, as follows:

Regan - 2/5 interest	=	$87,500.00
Hays - 3/5 interest	=	20,000.00
Legal fees, etc.	=	3,424.70

Mill - The mill in use was a stamp mill consisting of 30 stamps, and crushing approximately 100 wet tons per day. It was powered entirely by steam until 1894 when a Pelton water wheel was installed and used for auxiliary power

Water - There appears to have been a scarcity of water, at least during the dryer months. A 925 foot well was drilled which failed to yield water and a ditch was dug from Louise Creek, a distance of 5 miles.

Wood - Cordwood and mine timbers were largely imported during this period and some thought was given to the use of sage brush to fire the boilers.

The miners went out on strike during 1894 for a 5 day period. The strike was settled peaceable and apparently with no increase in pay.

Also the hotel caught fire and burned to the ground.

Development - During this period the Wahl Tunnel was completed and the No. 2 Incline was sunk to the 10th level. Most of the ore was drawn from between the 4th and 8th levels, with the 8th, 9th and 10th levels being under development.

There appeared to be some concern over the way the veins were developing on the lower levels, especially below the 8th, and one revision of ore reserves downward was made. Of course the 9th and 10th had only initial development up to this period. It was theorized that the oreshoots were pitching further to the east than was originally expected.

ANNUAL REPORT
(May 1, 1893, p.427)

Review of Work - 77' vein x-cut on 9th level (80' vertically below the 8th). Vein structure 30' wide with footwall section (more or less 5') showing $26 ore (Au = $20/oz., Ag = $.84/oz). Also x-cut No. 5, 6, 7, and 8 veins, with 6 and 7 united to form one vein. All veins contain less values than was expected.

Reserves - Reserves were reported at 150,000 tons, averaging $33.50/ton in Dec. 1892, this figure was dropped to 140,000 tons in May 1893.

Development Work

Working Area	Shafts	Levels	Drifts & x-cuts	Raises & Winzes
Wilson				40'
Hamilton		155'		
77' Vein		1234'		260'
No. 5		1132'		222.5'
No. 6		338.5		21'
No. 7		171.5		30'
No. 9		229.5		58'
Misc.		198'	974'	208.7'
Incline Shaft I	102'			
Incline Shaft II	121.75'			
Wahl Tunnel		319'		
No. 9 x-cut		57'		
Exploratory		896.5'		
Totals	223.75'	4,726.0'	974'	840.2'

Veins

Vein	Width	Assay Value Au	Assay Value Ag	Length Under Development
Wilson	3.0'	$ 22	$ 3	175'
Hamilton	7.0'	24	5	240'
77' Vein	25.0'	7	23	300'
No. 5	6.0'	24.50	7	265'
No. 6	2'8"	28	16	200'
No. 7	3'2"	35.50	19.50	170'
No. 8	("Small streaks of qtz.")			
No. 9	3'3"	27	18	200'
No. 10	("Vein wide & barren")			

Milling

Wet Tons	=	29,801.35
Dry Tons	=	26,953.66
Ounces Au produced	=	19,023
Ounces Ag produced	=	487,138
Assay Value	=	$36.59
Au - $20.12		
Ag - $16.47		
Recovery	=	82.67%

Shipping Ore

Character	Dry Tons	Smelter Returns
1st Class	206.116)	$ 172,020.32
2nd Class	144.496)	
In transit, est.	14.967	4,500
Totals	365.579	$ 176,520.32

?

Costs		Yield	
Mining	= $ 7.12	Au	= $ 20.67
Milling	= 7.50	Ag	= .8445
	$14.62		

ANNUAL REPORT
(May 1, 1894, p.941)

Reserves

1st Class = 100,000 tons averaging 0.90 oz Au & 16.0 oz Ag
2nd Class = 100,000 tons averaging from $5 to $12

Development Work

Working Area	Shafts	Levels	Drifts & x-cut	Raises & Winzes
77' Vein		283.75	189.25	196.25
No. 5 Vein		212.50	219.00	157.00
No. 6 Vein		216.50		96.00
No. 7 Vein		273.75	74.50	237.50
No. 8 Vein		72.50	25.00	40.00
No. 9 Vein		804.75	133.00	41.00
Incline Shaft#1	105.00			
Wahl Tunnel		57.50	19.00	79.00
Hanging Wall, Voshay Tunnel beyond air shaft		43.00		
East Iron Drift, 5th		66.50		
East Iron Drift, 7th		166.75		
Hanging wall x-cut, 1st			30.00	
x-cut to Hanging Wall at No.1, Rs, No.5 Vein, 4th			61.00	
Hanging Wall x-cut back of Big stope, 7th			109.00	
9th Level, x-cut			141.00	
10th Level, x-cut			147.00	
Silver Dept.			750.00	
Totals	105.00	2,194.50	1,897.75	845.75

Veins

Vein	Width	Assay Value Au(oz)	Assay Value Ag(oz)	Length Under Development
Wilson	4.0'	1.043	3.0	125.0'
Hamilton	7.0'	.895	5.0	100.0
77' Vein(9th)		2.00	18.0	
Rs.btw.8&9th	15.0'	.583	25.0	275.0
No.5 Vein	4.0'	1.140	8.18	225.0
No.6 Vein	3.0'	1.300	12.0	200.0
No.7 Vein	3.2'	1.200	9.0	160.0
No.8 Vein(8th)	2.0'	1.640	10.5	40.0
No.9 Vein	4.0'	1.400	15.0	240.0
No.10 Vein	2.5'	(low grade)		

Milling

Dry Tons	=	35,053.07
Ounces Au produced	=	26,483.31 = 0.76 oz/ton
Ounces Ag produced	=	509,169.19
Assay Value	=	$ 31.80
Au = $19.87		
Ag = $11.93		
Recovery	=	81.89%

Shipping Ore

Character	Dry Tons	Smelter Returns
1st Class	137.1	$ 97,231.06
2nd Class	48.2	10,932.48
Quartz	7.1	5,032.24
Tailings	17.8	4,078.64
	210.2	$117,274.42
	Costs=	38,166.89
	Profit =	$ 79,107.53

Costs

Mining	=	$ 5.93/ton
Milling	=	5.99/ton
Total		$11.92

Yield

Au	=	$20.67
Ag	=	$ .71085

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Harold Kirkemo	9/15/65	
2. Re: OME-6455 (Silver) Continental Quicksilver, Inc. DeLamar Mine		
3. Owyhee County, Idaho		
4. D. R. MacLaren		
5.		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: In re. our telephone conversation this date, attached is the letter and other papers which you mentioned that you did not have in your files.

INT.-DUP. SEC., WASH., D.C. M56300-62

CONTINENTAL MATERIALS CORPORATION
820 SOUTH NINTH STREET P. O. BOX 1550
GRAND JUNCTION, COLORADO

RECEIVED
JUL 16 1965
OME
SPOKANE, WASHINGTON

OFFICIAL COPY
O. M. E
RECEIVED
SEP 20 19
INITIALS
HK

July 13, 1965

Mr. Lowell Hilpert
United States Geological Survey
8426 Federal Building
Salt Lake City, Utah

Subject: OME-6455

Dear Mr. Hilpert:

I am enclosing for your information the following items concerning the application by Continental Quicksilver, Inc. for assistance in the exploration of the DeLamar Mountain area, DeLamar District, Owyhee County, Idaho.

1. A plan map showing the projection of the 77 and Sommercamp vein zones at various elevations.

2. A cross section designated "Section 8, DeLamar Geology" showing proposed drill holes 6A and 6B.

3. Copies of abstracts made from the mine managers reports for the periods October 1892 to May 1894 and October 1898 to June 1901.

Many more of these reports describing the operation of the mine until it was closed in 1914 have subsequently been obtained and studied to add to our knowledge of the nature of the deposits. Time and available personnel has not allowed a complete abstract of all of this material.

Concerning your verbal recommendation that the proposed drill program be supplemented by a hole, or holes, as shown on the enclosed Section 8, we are agreeable to such an addition. We are also in accord with your suggestion that the proposed drill program be phased into two stages, with the second stage contingent upon the results obtained from the initial stage.

By copy of this letter I am notifying Mr. MacLaren of our agreement with these suggestions. We would propose that the contract be drafted incorporating your suggestions and submitted for our approval.

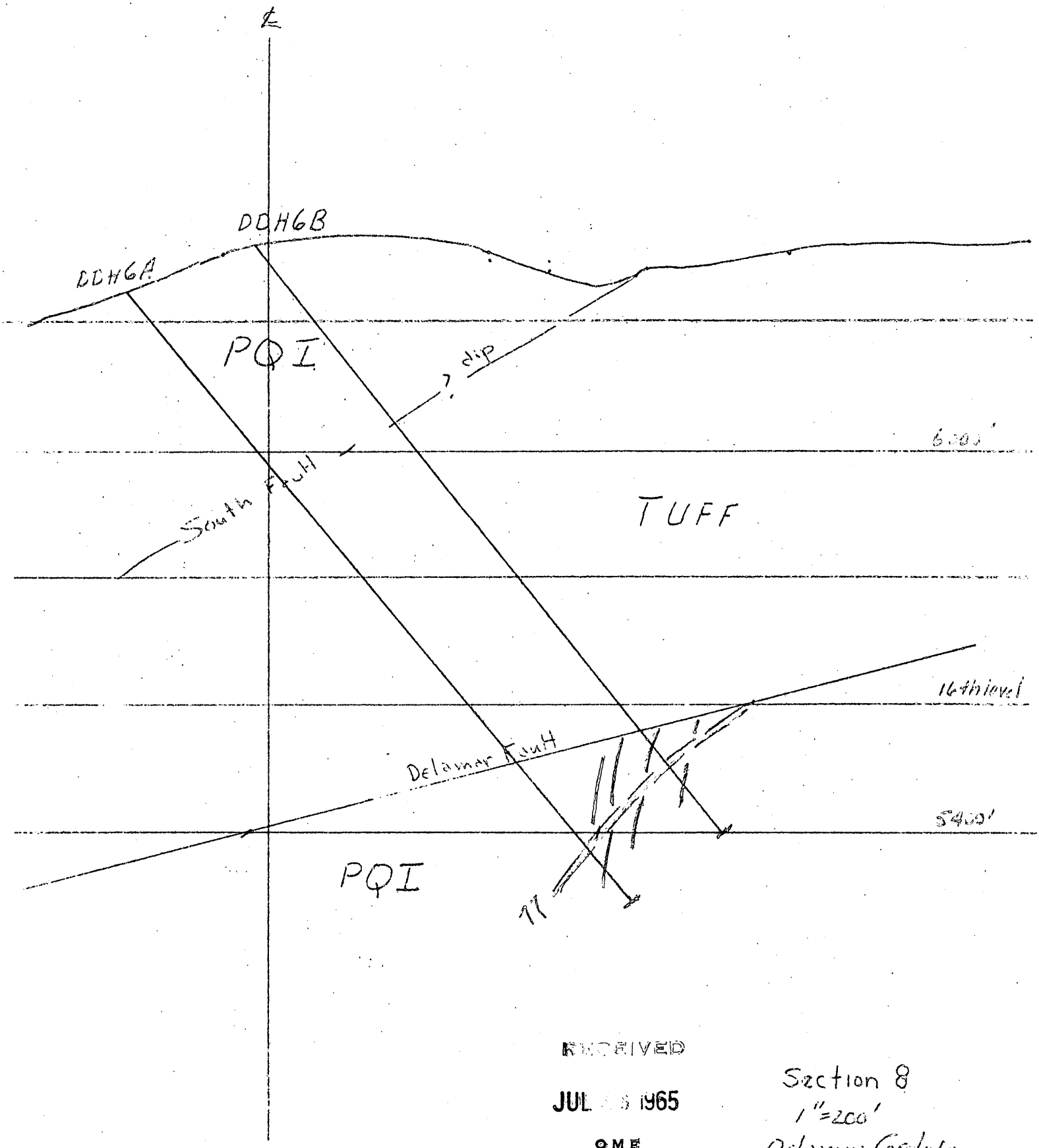
Sincerely,

CONTINENTAL QUICKSILVER, INC.

C. H. Reynolds

CHR/ds
cc: D. R. MacLaren, w/encls.
(2 copies Section 8 & 2 copies U.G.Geol. & Workings)
S. M. Gunther
M. W. Cox

BY MWC DATE 7/2/65 SUBJECT DELAMAR AREA SHEET NO. OF
CHKD. BY DATE Owyhee County, Idaho JOB NO.
1" = 200'



RECEIVED
JUL 6 1965
OME
SPOKANE, WASHINGTON

Section 8
1" = 200'
Delamar Geology

Mr. Kirkham

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

U. S. GEOLOGICAL SURVEY
SOUTH 157 HOWARD ST.
SPOKANE, WASH. 99204

August 17, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 20 1965

INITIALS	CODE
	130
	120M

Memorandum

To: Chief, Office of Minerals Exploration

From: Acting Field Officer, Region I

Subject: OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Enclosed are the original and one copy of an examination report relative to the subject property, by L. S. Hilpert with a section on costs prepared by the Acting Field Officer.

1cy 8/9 report + 8/9 costs to 120

Hilpert recommends a 2-stage program in which Stage I provides for diamond drilling five holes for a total of 4,800 feet and Stage II provides for five additional holes for a total of 1,600 feet of plug bit drilling and 4,130 feet of diamond core drilling.

Except for recommended holes [redacted], 1-A, 2-A, and 2-B, the Acting Field Officer concurs. From Exhibit G, composite plan of the underground workings as nearly as it could be compiled by the applicant, and Exhibit GG, showing the planes in which the recommended holes are to be drilled, the workings at various levels were plotted on sections 4 and 5 (Exhibit H). On section 4, hole 1-B will pass about 20 feet above and northeast of a drift on No. 8 level. This is above the Delamar fault and should present no problem, nor should the workings on No. 11 level, which are about 100 feet or more below and southwest of 1-B. However, hole 1-A will pass below but within about 20 feet of a drift on No. 8 level, which is only 10 feet or so below the Delamar fault. This hole at best will not develop more than 40 feet of backs and will be only about 90 feet above hole 1-B, measured in the plane of the vein. It is recommended that hole 1-A be deleted.

On section 5, the original and re-oriented hole 2-A and hole 2-B will pass through or very close to a crosscut that has been driven through the indicated ore zone on No. 12 level. In effect, either of these holes is looking for previously known ore that may or may not have been mined or is being drilled through a zone that has been found to contain no ore. Moreover a winze from No. 8 level to No. 16 level crosses the section presumably near No. 12 level. The potential ore zone that will be traversed by hole 2-A, either location, is probably good exploration, but if stopes above No. 12 level should be encountered it may well be they could not be passed. Hole 2-B, is in a favorable zone between the

Delamar fault and the quartz vein, will at best develop only about 60 feet of backs; if there is ore on the footwall side of the quartz vein, the chance is good that it had been mined or partly mined from the crosscut on No. 12 level. It is recommended that holes 2-A and 2-B be deleted. These points have been discussed with Hilpert by telephone August 16, 1965, and it is understood that he concurs in the recommendations to delete holes 1-A, 2-A, and 2-B.

D. R. MacLaren

D. R. MacLaren

Enclosures

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Geologic Division
Resources Research Branch
8426 Federal Building
Salt Lake City, Utah 84111

RECEIVED
AUG 11 1965
OME
SPOKANE, WASHINGTON

August 9, 1965

Memorandum

To: Acting Field Officer, Region I, OME

From: L. S. Hilpert

Subject: Application examination

OME-6455
Continental Quicksilver, Inc.
DeLamar mine
Owyhee County

Introduction

The DeLamar mine property is in parts of secs. 4, 5, 6, and 8, T. 5 S., R. 4 W., Boise Meridian. It is accessible by about 10 mi of unimproved dirt road that leads eastward up Trout Creek from Jordan Valley, Oregon. It is also accessible by about 15 mi of graded dirt and gravel road that leads up Cow Creek from Sheaville, which is about 15 mi north of Jordan Valley on U. S. Highway 95. The most convenient railhead is Marsing, Idaho, about 40 mi north of Sheaville.

The property was visited on June 19,1965 in company with Eugene Lindsay, geologist with Cox and Associates, who prepared the proposed exploration program and the geologic report supporting it. About 4 hours were spent on the property to determine the merits of the Applicant's proposal for a $96,320 program of diamond drilling to test the down-dip extensions of the ore zones in the DeLamar silver mine. Several more hours were spent in discussing the geology of the mine, the history of operations, and their bearing on the expectancy of finding additional ore at depth. Also, a revised program of drilling in two stages was discussed.

The original proposal was well planned, but was incomplete in supporting descriptive material. It lacked a map showing the principal vein and fault structures and the proposed target areas, lacked background and lacked a geologic justification for projecting the vein systems into the target area eastward of the old workings below the 10th level. These items were orally requested from Lindsay on June 19, from H. C. Reynolds by phone on

FIELD EXAM. REPT.

July 7 and by letter on July 20. On July 28, the items were discussed further with Reynolds in Salt Lake City. The requested map, geologic justification, and some production data were received August 5 (see Exhibit GG and the addendums to section 3 f). Exhibit HH and a preliminary but incomplete copy of Exhibit GG were received earlier.

History

The DeLamar property was located in 1874, but very little work was done on it until about 1886. In 1888 the principal vein, the Seventyseven, was discovered and the main productive period was started, which lasted until about 1914 after the yield in gold and silver had amounted to $8,321,000 and $4,117,000, respectively, for a combined yield of about $12,500,000. Most of this output came from the "old mine", mostly above the 10th level; some came from the Sommercamp veins in the western part of the property after 1906, almost entirely above the 8th level, and a small amount from other parts of the property.

The productive history of the mine is complex and it is difficult to determine the grade of the ores and their depth relations because of the lack of information on secondary enrichment in the upper levels, losses in milling, the reporting of values in dollars received rather than in grade, re-running of old mill tailings, shipment of some high-grade silver ores of unknown grade directly to the smelters, and the mining of low-grade material around the periphery of the old stopes during the later years of operations. Apparently no systematic stope maps or sections were prepared by the Company and the workings have been generally inaccessible since the late twenties. These matters are discussed in some detail, as well as the geology, by Lindgren _/ and Piper and Laney _/, the only detailed

_/ Lindgren, Waldemar, 1900, The veins of Silver City and DeLamar: U. S. Geol. Survey 20th Ann. Rept., pt. III, p. 107-189.

_/ Piper, A. M., and Laney, F. B., 1926, Geology and metalliferous resources of the region about Silver City, Idaho: Idaho Bur. Mines and Geology, Bull. 11.

reports on the property. From their records, it is indicated the assay value of the milled ores dropped from $36.71 per ton in 1891-92 to $14.42 per ton in 1897-98 (Lindgren, p. 123) and from $11.82 per ton in 1898-99 to $7.94 per ton in 1912-13 (Piper and Laney, p. 100). The direct shipping ores were mined before 1899 and were removed from above the 8th level.

Both Lindgren and Piper and Laney show that the gold content of the veins generally ran about one-half ounce and was fairly uniform in grade between the 4th level and 12th levels. Piper and Laney, after weighing all the factors and the probable losses in recovery of the silver, estimated the average gold to silver ratio to be about 1:15. Thus, at today's prices, the ores would average about $17.50 in gold and $10 in silver. Allowing for some decrease in grade below the zone of oxidation, it appears likely that the ores below the 8th level will average about $25 per ton or less.

Geology

The Applicant's description of the geology of the DeLamar mine is largely abstracted from Piper and Laney, with some modifications based on the work of Cox and Associates. Their description essentially summarizes the available information and will be commented on only to clarify the relations of the vein systems to the fault structures and to help define the target areas.

The principal ore shoots in the old mine underlie the DeLamar fault, a westerly striking structure that dips 25-30° southward. The fault zone is a highly altered iron-stained clay, which is referred to by the miners as the "iron dike." The footwall of the fault is a rhyolite porphyry, the host rock of the veins. The veins are quartz fillings of gash fractures in the rhyolite that generally strike southeastward and dip southwestward. The principal vein, the Seventyseven, strikes about N. 60° W. The other veins generally split away from it and strike about N. 30° W. This vein system generally dips 25-55° SW. above the 6th level and 65-80° SW. in the lower levels. The individual veins extend downward beneath the "iron dike" 100 to 200 ft and have a strike length of 100 to 600 ft, but geneally average about 200 ft. Individual veins range from about a foot to rarely several tens of feet in width, but probably average about 3 ft in width. This cluster of veins generally makes up a zone about 200 to 400 ft wide and about 200 ft in thickness that pitches about 30° SE.

In the Sommercamp section of the mine, the newer workings, the vein system is somewhat similar except that it underlies the Sommercamp fault. This structure strikes about N. 55° E. and dips about 25° SE. and is a cross-fault between the DeLamar and an overlying parallel fault, the Henrietta. This vein system consists of about 10 interlinked veins that strike about N. 20° W. and dip 65-80° SW.

Proposed exploration

The Applicant proposed the "old mine" or DeLamar vein zone be explored below the 8th level by 8 inclined diamond drill holes and that the Sommercamp vein zone be explored by a ninth hole at about the 14th level, for an aggregate of 7,715 ft. The target areas are shown on the map and sections (Exhibits GG and H, respectively). The Applicant's reasons for expecting to find ore in these areas is not clearly stated, but were brought out in the discussions with Lindsay and Reynolds, and partly in Cox's letter of

August 2 (see addendum to section 3 f). They essentially follow the findings of Piper and Laney (p. 102-103) that below the 10th level the Company workings did not extend eastward far enough to get materially into the vein system, but followed only the westernmost veins downward away from the heart of the system--the Seventyseven vein. Thus, the system as projected on Exhibit GG is reasonable and is worthy of exploration. The Sommercamp target area is below the old workings under the 12th level and is also worthy of testing the projection of the vein system, if no commercially valuable discovery is made in the DeLamar vein system.

As originally proposed, the exploration would consist of 8 holes drilled normal to the pitch of the DeLamar vein system and drilled progressively from just below the 8th level to below the 16th level (Exhibit H). These holes were to be drilled in pairs, each pair to be spaced 400 ft apart.

Alternate proposal

As the first of each pair of hobs is expected to intersect the vein zone, the second hole might not be necessary. For this reason, and to gain better structural control, an alternate plan was suggested that would do the drilling in two stages. Stage 1 would consist of a single hole drilled in each cross section and an additional hole drilled down the pitch 400 ft beyond for a total of 5 holes. Stage 2 would tentatively consist of an additional five holes, the first four to be drilled in the DeLamar vein zone where the information from Stage 1 would dictate the most favorable ground, and the other hole to be drilled in the Sommercamp zone, as originally proposed. This alternate proposal is acceptable to the Applicant (see H. C. Reynolds letter of July 13, 1965). Since then, it appears to me that the upper 400 ft of the first four holes to be drilled in Stage 2 can be done by plug bit, with no material loss in information and a material savings in time and money. Thus, the alternate proposal entails drilling 6 and possibly 10 holes in two stages, for a total of 8,930 ft, of which 1,600 ft in Stage 2 would be by plug bit. The breakdown by holes is as follows:

not submitted with report. received later

Stage 1 (all cored)

	Hole No.	Estimated footage
	1B	850
	2A a/	900
	3A	850
	4A	1,000
	6B	1,200
Totals	5	4,800

a/ Oriented to intersect target area between 2A and 2B, as shown on Exhibit H.

Stage 2

Hole No.	Core footage	Plug-bit footage	Total footage
1A	430	400	830
2B	450	400	850
3B	350	400	750
4B	500	400	900
5 a/	800	0	800
5	2,530	1,600	4,130

a/ Sommercamp vein zone.

Under the alternate proposal it was suggested and accepted that a Tropari-type instrument should be used to survey the holes.

Conclusions

The Applicant proposes that the DeLamar vein system be explored below the 8th level by diamond drill holes from the surface. The target area is on the projection of the vein system which may not have been adequately explored in the old mine workings below the 10th level. In addition, he proposes one hole be drilled under the old workings below the 12th level and on the projection of the Sommercamp vein system. The proposed exploration is hereby recommended for OME participation under a revised plan to do the drilling in two stages. Stage 1 would consist of five holes, totalling about 4,800 ft, that would test the pitch of the DeLamar vein system. Stage 2 would consist of five more holes, four of which would further test the DeLamar vein system and the other hole the Sommercamp system. These holes would total about 4,130 ft.

It is difficult to determine the ratio of gold to silver in the ores. The best estimate probably is Piper and Laney's, who determined a gold to silver ratio of 1:15. Their data and Lindgren's indicate that the ores probably will run about 0.5 oz gold, which would make the silver content about 7.5 oz. At today's market values, the gold would amount to $17.50 and the silver about $10. In the lower levels these values may be somewhat less, perhaps totaling about $25. Thus, it appears the Application will qualify for 50 percent support as primarily a gold producer, the silver being a co-product and about half the value of the gold.

L. S. Hilpert

LSH:jp
Enclosures
cc: OME - 2
Spokane - 1
Docket - 1
MacLaren - 1
Commodity - 1
SLC files - 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

August 17, 1965

Memorandum

To: Chief, Office of Minerals Exploration

From: Acting Field Officer, Region I

Subject: Supplement to examination report
OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

COSTS

The following cost estimate is based on a recommendation to drill eight holes, of which four holes totalling 3,900 feet of core drilling will be done under Stage I and four holes totalling 1,650 feet of core drilling and 800 feet of plug bit drilling will be done under Stage II.

The surface is unobstructed and for the most part sand and gravel, loosely consolidated, and should be easily worked with a D-7 or even a D-6 or equivalent. However, it is possible that only a D-8 may be available. Drilling BXWL, possibly reduced to AXWL, 5,550 feet at 20 feet/drill/day--two drills, 40 feet/day, time required say 5 months. BX or AX plug bit, 800 feet at 35 feet/drill/day--two drills 70 feet/day, time required say 0.5 month.

Actual costs:

1. Independent contracts

Preparation of access roads and drill stations, 16 hours dozing

D-8 at $20.00 per hour

D-7 at $16.00 per hour

D-6 at $14.00 per hour $ 320.00

Drilling

Mobilization and demobilization including moving to first station and from last

1st drill	$ 700.00
2nd drill	500.00

Diamond drilling BXWL[1] = AX standard

Overburden, 140 ft @ $12.50/ft	$ 1,750.00	
From 0-250 ft. depths 1,750 ft @ $7.25/ft	12,687.50	
From 250-500 ft depths 1,600 ft @ $7.75/ft	12,400.00	
From 500-750 ft depths 1,250 ft @ $8.25/ft ?	10,312.50	Was Pinnacle bad
Over 750 ft 950 ft @ $8.85/ft	8,407.50	
Plug bit BX[1] 0-250 ft, 500 ft @ $7.25/ft 250-500 ft, 300 ft @ $7.75/ft	 3,625.00 2,325.00	
Cementing and redrilling or reaming and casing @ $12.50/hr or $3.50/ft	1,750.00	
Surveying, 30 hr @ $27.50/hr hours?	825.00	$55,602.50

1/ AXWL $0.50/ft less than BXWL cost.

Fixed unit costs:

Breakdown — Incidental allowance per foot of drilling completed: 6,350 ft @ $0.70/ft[2]	$ 4,445.00	
Samples: core and/or sludge in mineralized zones 350 assays for gold and silver @ $2.75 ea (per sample) — Each metal? No - Each sample	962150	$ 5,407.50

Macdonald by phone 9/17/85 — average of several other contracts. Not calculated specifically for this project. Kirkland

2/ To cover supervision, core house, and all other expenses. — includes core shaper and surface surveying

Total actual costs	$55,602.50
Total fixed unit costs	5,407.50
Total project cost	$61,010.00
Gov't participation, 62.5%	$38,131.25

D. R. MacLaren

Distribution:
OME(2); ~~Director's reading~~ file; Hilpert; docket

MME FORM 6
REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: ~~CHIEF, DIVISION OF EXPLORATION OPERATIONS~~		
2. OFFICE OF MINERALS EXPLORATION		
U. S. DEPARTMENT OF THE INTERIOR		
3. WASHINGTON, D. C. 20240		
4.		
5.		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

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

REMARKS:

Gold - silver & value is 2 to 1

Exploration for gold - silver mineral of for action.

M56300-62

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

CONTINENTAL MATERIALS CORPORATION

[redacted]

[redacted] W. FOURTH AVENUE • CHICAGO, ILLINOIS [redacted]

RECEIVED
JUL 7 1965
O.M.E.
SPOKANE, WASHINGTON

June 28, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 9 1965

INITIALS	CODE
	120
	~~120~~

Mr. D. R. MacLaren, Acting Field Officer, OME
Office of Minerals Exploration, Region I
United States Department of the Interior
Office of Minerals Exploration
North 157 Howard Street
Spokane, Washington 99201

Re: OME-4455 (Silver)
Continental Quicksilver, Inc.
Delamar Mine
[redacted]

Dear Sir:

This will acknowledge your letter of June 25, 1965 [redacted] additional executed copies of OME Form 2, As [redacted] I enclose herewith two such copies fully [redacted] on behalf of all the owners.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By [redacted]

[redacted]

[redacted]

OME

Co. 157 Howard Street
Spokane, Washington 99210
June 25, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 28 1965
INITIALS | CODE
120
120

Mr. Sidney M. Gunther
Continental Materials Corp.
Law Offices
4401 W. North Avenue
Chicago, Illinois 60639

Re: OME-6033 (Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho

Dear Mr. Gunther:

We have received your letter of June 25, 1965, enclosing three copies of MME Form 52. Item 2(c) on the back of the application form requires five copies of the Lien and Subordination Agreements. Kindly send us two more executed copies of this form.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: C. H. Reynolds
Grand Junction, Colorado

✓ OME w/cy incoming let. wo/enclosures

Director's Reading File
Resources Research Branch Chief

DRMacLaren/mls

PHONE

CONTINENTAL MATERIALS CORPORATION

4514 W. NORTH AVENUE • CHICAGO ILLINOIS 60639

June 23, 1965

Mr. D. R. MacLaren, Acting Field Officer, OME
Office of Minerals Exploration, Region I
United States Department of the Interior
South 157 Howard Street
Spokane, Washington 99204

Re: Continental Quicksilver, Inc. - OME-6455

Dear Mr. MacLaren:

Please refer to my letter to you dated May 18, 1965.

I have now received the executed copies of the OME Form 52 and I forward herewith two completely executed copies together with one conformed copy. Please take such action as may be necessary to have the attached executed copies inserted in the appropriate places in the OME Applications previously forwarded. The photocopy is for your copy of the application.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By /s/ Sidney M. Gunther
Sidney M. Gunther

SMG:mah
Att.

cc C. H. Reynolds

RECEIVED
JUN 25 1965

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Johnson	110
		100
6/8	Cal	220
		120

JUN 8 1965

AIRMAIL

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Re: OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

Gentlemen:

The application for assistance in exploring the subject property has been reviewed by the Division of Exploration Operations of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, 99204.

Mr. Lowell S. Hilpert, U. S. Geological Survey, will notify you with respect to making a field examination of the property or if additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/mm (6/8/65)
cc: Director's Reading File
Region I
Lowell S. Hilpert, U.S.G.S., Salt Lake City, Utah
Docket

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

JUN 8 1965

AIRMAIL

Mr. Lowell S. Hilpert
Resources Research Branch
U. S. Geological Survey
8426 Federal Building
Salt Lake City, Utah 84111

Re: GMK-6390 (Silver)
Warm Creek Silver Mines, Inc.
Big Bunkey, et al., Claims
Lemhi County, Idaho

GMK-6397 (Silver-Gold)
Estes Gold Mines, Inc.
Yankee Fork Mine
Custer County, Idaho

GMK-6451 (Gold-Silver)
Washington Peak Mining Company, Inc.
Black Rock and Black Jack Groups of Claims
Custer County, Idaho

GMK-6455 (Silver)
Continental Quicksilver, Inc.
Delamar Mine
Owyhee County, Idaho

GMK-6457 (Silver)
Anton (Tony) Rens
Silver King Group
Boise County, Idaho

Dear Mr. Hilpert:

Reference is made to Mr. D. R. Maclaren's letter to you of June 4, 1965, concerning the subject applications for exploration assistance. These applications are being referred to you for review, field examinations as appropriate, and recommendations. Because of the

23263

limited time, they all have not been given as complete a review by this office as usually is done before referring to the Field Office. However, our comments on each docket are as follows:

OME-6390, Warm Creek Silver Mines, Inc.
Referred to the Acting Field Officer, OME, Region I, on Jan. 7, 1965. See our referral memorandum of that date. The Lien and Subordination Agreements mentioned therein have been received, but we will need the other papers mentioned if a project is recommended.

OME-6397, Estes Gold Mines, Inc.
This application was being held pending receipt of information from the Applicant concerning clarification of its interest in the property and the obtaining of additional land. In a letter dated May 19, 1965, to Mr. Maclaren, the Applicant explained that it had not resolved the matter of its interest in the property and additional land, but possibly a revised project on part of the property might be requested. However, the land involved might not be sufficient for an OME project; and also the Applicant indicated that the property might not be accessible until July 1. We are enclosing a referral letter of this date on this project, but are leaving it to your judgment whether or not to include an examination of the property on this trip, providing, of course, the property is accessible.

OME-6451, Washington Peak Mining Company, Inc.
Our comments and additional information required were given in our letter of May 25, 1965, to the Applicant.

OME-6457, Anton Bene
Enclosed is a memorandum of June 8, 1965, on the application prepared by Mr. Harold Kirkemo.

OME-6455, Continental Quicksilver, Inc.
Enclosed is a memorandum of June 8, 1965, prepared by Mr. Harold Kirkemo.

If you recommend favorably on any of these applications, we will need all of the data and information necessary to prepare a contract for each recommendation as outlined to you in Mr. Maclaren's letter of June 4, 1965.

We greatly appreciate your assistance in making these examinations.

Sincerely yours,

(signed) FRANK P. JOHNSON, Jr.
George Funk

Deputy Director

Enclosures

FRJohnson/mm (6/8/65)
cc: Director's Reading File
Region I
Review Committee
Dockets OME-6390, 6397, 6451, 6455, 6457

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/8/65	Kirkemo	
6/8	Wilcox	130
"	Johnson	110
		100

JUN 8 1965

Memorandum

To: Chief, Division of Exploration Operations

From: Harold Kirkemo, U. S. Geological Survey

Subject: OME-6455 (Silver)
Continental Quicksilver, Inc.
DeLamar Mine
Owyhee County, Idaho

The Applicant proposes a $96,320 program of diamond drilling to test down-dip extensions of ore zones from the old DeLamar silver mine. Nine holes averaging 857 feet in length for a total of 7,715 feet are proposed.

The DeLamar silver mine produced approximately 5,900,000 ounces of silver and 403,000 ounces of gold in the period from 1888 to 1914.

This is a well-planned program of drilling involving complex geologic relationships. The target for 8 holes is the DeLamar vein zone situated under the DeLamar fault, and for the 9th hole, the Sommercamp vein zone under the Sommercamp fault. Each of the targets consists of parallel veins 1 to 6 feet wide across a zone about 200 feet wide. The targets lie at depths ranging from about 400 to 700 feet below the surface. Because the DeLamar and Sommercamp faults dip gently southward, depths to the underlying vein zones increase progressively to the south. Lindgren reported that "below a vertical depth of about 800 feet the values are low, although the veins persist."

Considering the projected angle of intersection of the holes with the targets and the depth of drilling, the course of the holes probably should be checked by survey during the drilling operations.

Proposed holes 1 A, 1 B, 2 A, and 2 B project into the general level of the DeLamar mine 16 level, and possibly into old workings. If the latter is true, perhaps the footage required for these holes should be used instead to explore further downdip to the south.

23263

If the first of the 2 holes in each cross section intersects the projected vein zone, is it necessary to drill the second hole? The projected vertical distances between the two holes in the vein zone are only 90 to 110 feet.

To date, copies of MME Form 52 mentioned in the transmittal letter of May 18, 1965, have not been received.

The application should be referred to the field for review and field examination.

/S/ Harold Kirkemo

HKirkemo/mm (6/7/65)
cc: Director's Reading File
Docket
Region I
Lowell S. Hilpert, U.S.G.S.
Harold Kirkemo

OME

So. 157 Howard Street
Spokane, Washington 99204
June 4, 1965

Certified Mail - RRR

Mr. Lowell S. Hilpert
Resources Research Branch
U. S. Geological Survey
8426 Federal Building
Salt Lake City, Utah 84111

Dear Lowell:

Thor has told me that you may soon be able to give me some very much needed help on up to five OME applications in the southern part of Idaho. He expects to know within a few days which applications will be cleared for referral to the field and will call you. As I will be leaving for Jackson County, Oregon, on June 10 and will not be back until the 15th or possibly the 16th, and to give you as much leeway as possible, I am forwarding herewith all five dockets which are:

Docket No. OME-	Applicant	County	Approached via
6390	Warm Creek Silver Mines	Lemhi	Arco or Pocatello
6397	Estes Gold Mines, Inc.	Custer	Stanley
6451	Wash. Peak Mining Co., Inc.	Custer	Ketchum
643	Bens, Anton	Boise	Boise
6455	Continental Quicksilver	Owyhee	Boise or Jordan Valley, Oregon

So far, only 6390 has been referred to the field; 6397 at last report has a question of property rights to be settled and may not be referred in time for this trip; the last two docket numbers will be along shortly and will be mailed or phoned to you as soon as they arrive. Stanley, Idaho, and Jordan Valley, Oregon, have listed populations of 33 and 236, respectively, but each has a motel listed in 1965-66 AAA Tour Book. At Stanley, it is Redwood Motel, telephone, Area Code 208, 744-2031, and at Jordan Valley it is Floyd's Chevron Motel, telephone, Area Code 503, 586-9239. However, I have never stayed at either place. I have found in recent years that it is

advisable, if possible, to phone ahead for reservations during the tourist season. Boise and Pocatello should present no problem, and Arco might not--a year ago I stayed at the D-K Motel in Arco and found it O.K., but I do not have their telephone number. At Ketchum, I have stayed several times at Ketchum's Lodge, telephone, Area Code 208, 726-3256. That's about all the dope I can give you on that score.

The examination and report follows the DMEA pattern. I understand you have had your share of that and will not go into detail. However, we now have the added chore of making a cost estimate if a program is recommended. To help me to avoid overlooking as many components of costs as possible, I have worked up a dope sheet and have enclosed in each docket copies for your use if they will be helpful. As I make them up, they are clear to me, but I have given copies to a few applicants most of whom became more confused than they were without them so, if they are not any help, disregard them. There may be some items of supplies and equipment pertinent to a specific project that will not appear, but as a guide they have helped.

A couple of points that are different from DMEA problems probably should be mentioned. Lead, zinc, and copper are no longer eligible for OME support, but one or all of these commodities usually occur in the silver applications. As a rule of thumb, the potential silver value (plus gold or any other eligible commodity that may be present) should make up at least half of the total potential value of the hoped for discovery. However, if the potential discovery is large enough that the recovered silver would be really significant, the silver values could probably be a little less than half.

In the cost estimate, the value of such salvageable items as pipe, rail, and vent tube are reduced 50 percent to take care of the Government's equity and the items then belong to the operator at the end of the project. Also, equipment to be purchased is considered as being furnished by the applicant and depreciation of one-sixtieth of its present fair market value, or purchase price is allowed for each month the equipment will be in use.

I have not been able to do as much mapping as I would like to because of the time--workload element. Enough to illustrate a report is about all I have been able to do, and whenever possible I have referred to maps accompanying the application if they serve to illustrate a point. I do not want to tell you how to do a job or write a report, but, as a suggestion, I have had to settle for the most important elements:

1. A road log so someone else can find the property.

2. An outline or summary of the geologic setting stressing those aspects that bear directly on a conclusion.

3. Conclusions and recommended program or denial.

4. Estimate of costs.

These are all the helpful (I hope) remarks I can make and if there is any way I can help you further, please give me a buzz FTS 509-838-3121.

Many thanks and best regards.

Sincerely,

D. R. Mac Laren
Acting Field Officer, GSE
Region I

Enclosures

cc: GSE

Director's Reading File
Resources Research Branch Chief

DRMacLaren/mls

June 1, 1965

Continental Quicksilver, Inc.
820 South Ninth Street
Grand Junction, Colorado 81502

Subject: OME - 6455

Gentlemen:

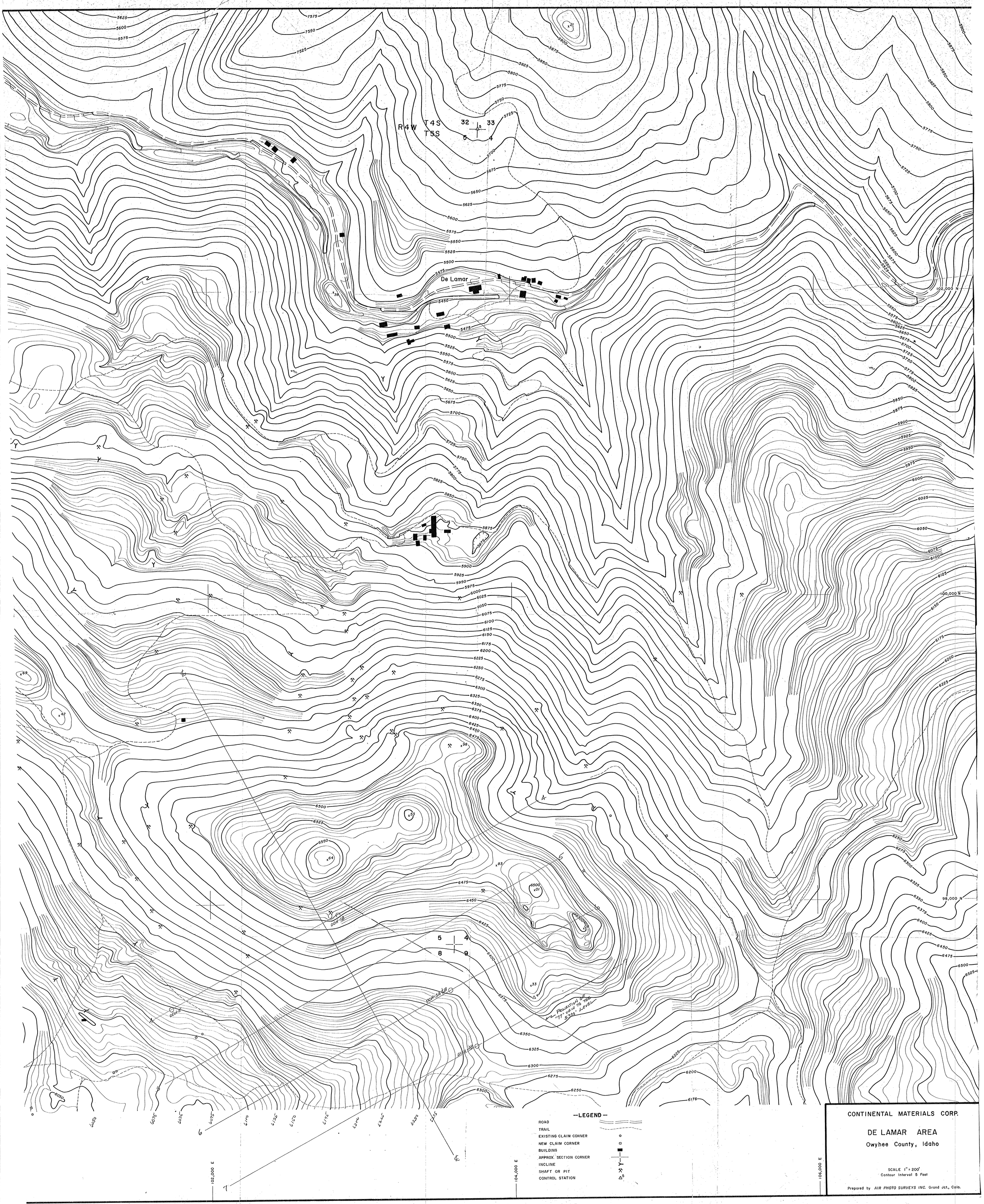
Your application for exploration assistance, dated March 29, 1965 submitted to our office at Spokane, Washington has been assigned Docket Number OME - 6455.

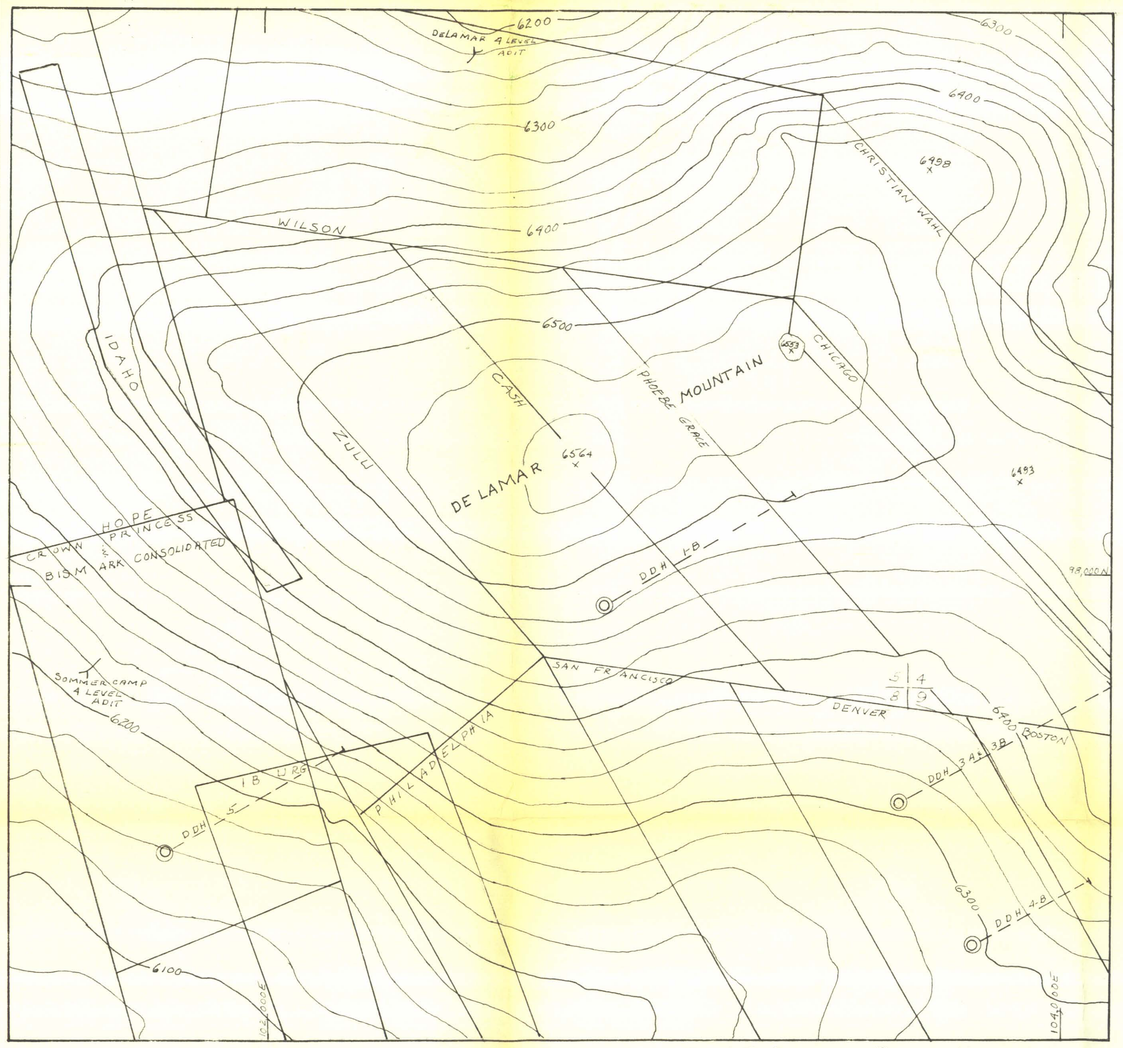
Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

George C. Selfridge, Chief
Division of Exploration
Operations

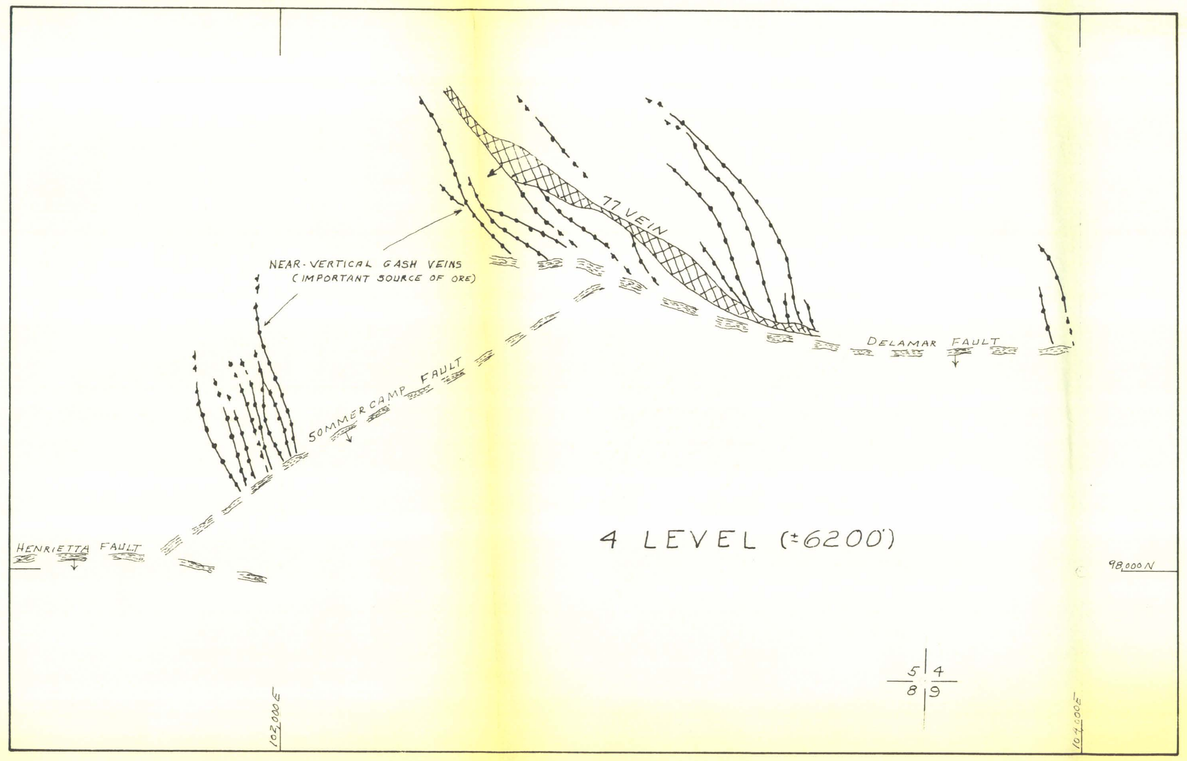
Copy to Region I

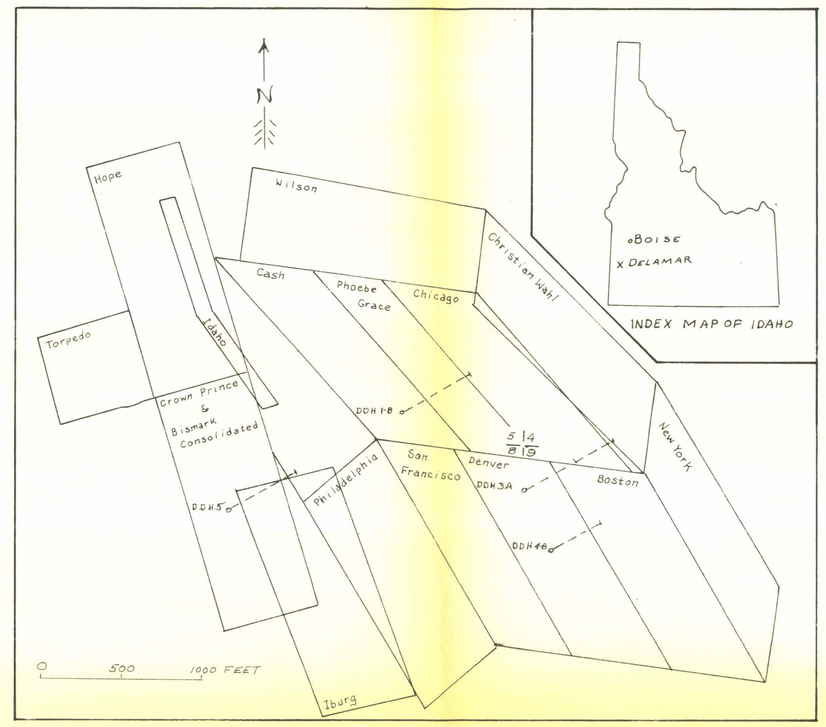

R4W T4S
T5S
32 33
5 4
De Lamar
102,000 N
100,000 N
98,000 N
102,000 E
104,000 E
106,000 E
DDH-1B
DDH-3B
DDH-5
DDH-4B
PROJECTION OF "77" VEIN TO THE 5,300' LEVEL
5 4
8 9
—LEGEND—
ROAD
TRAIL
EXISTING CLAIM CORNER
NEW CLAIM CORNER
BUILDING
APPROX. SECTION CORNER
INCLINE
SHAFT OR PIT
CONTROL STATION
CONTINENTAL MATERIALS CORP.
DE LAMAR AREA
Owyhee County, Idaho
SCALE 1" = 200'
Contour Interval 5 Feet
Prepared by AIR PHOTO SURVEYS INC. Grand Jct., Colo.



TOPOGRAPHIC MAP - CREST OF DELAMAR MOUNTAIN, SHOWING OME DIAMOND DRILL HOLES

0 200 400 600 800 1,000 FEET

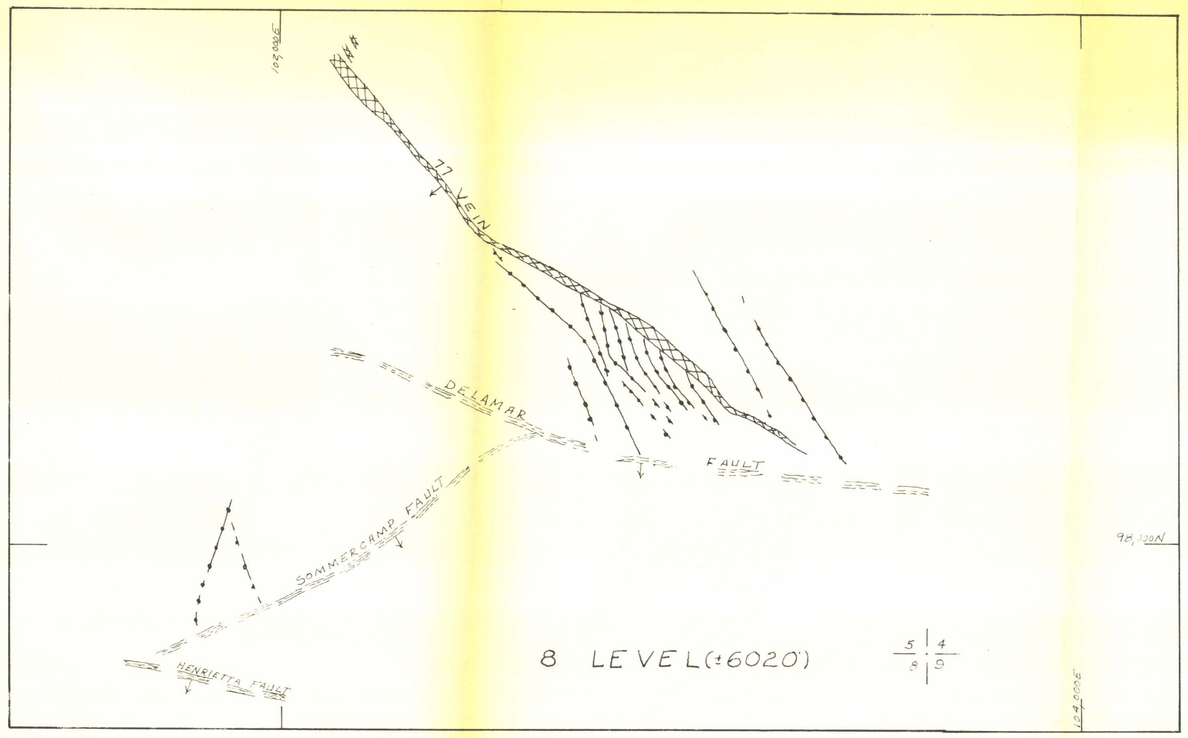


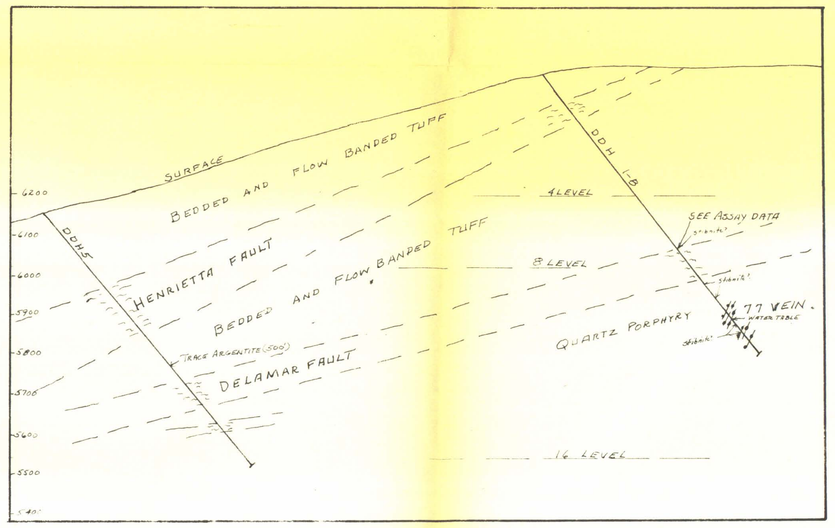


CLAIM MAP (SUBJECT OF OME CONTRACT)

COMPOSITE MAP OF MAIN UNDERGROUND WORKINGS

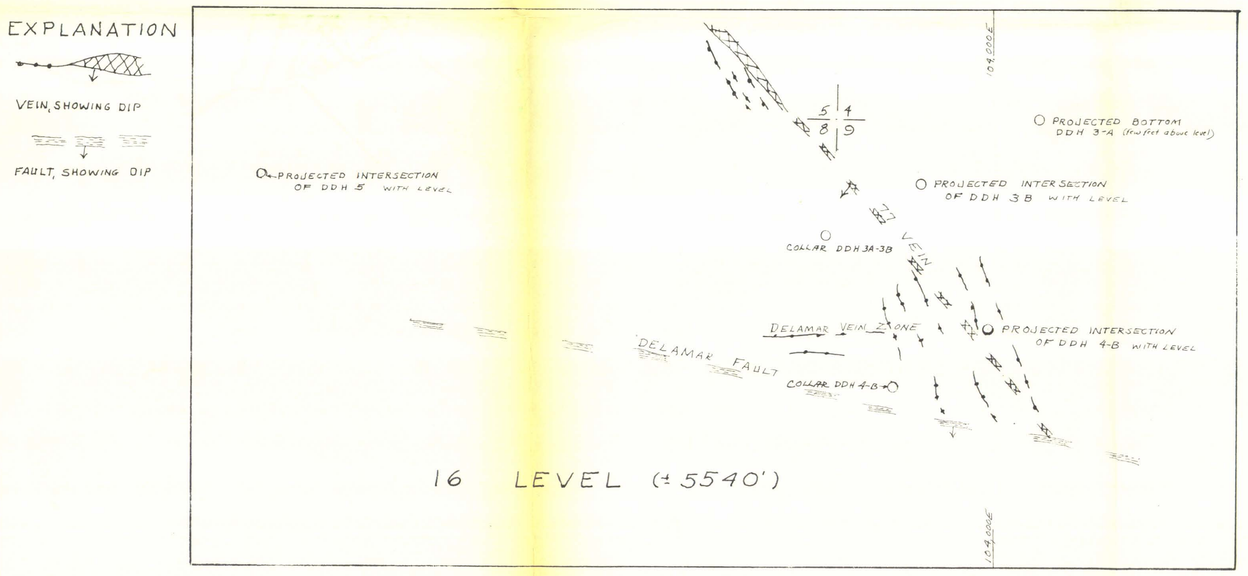
0 200 400 600 800 1000 FEET





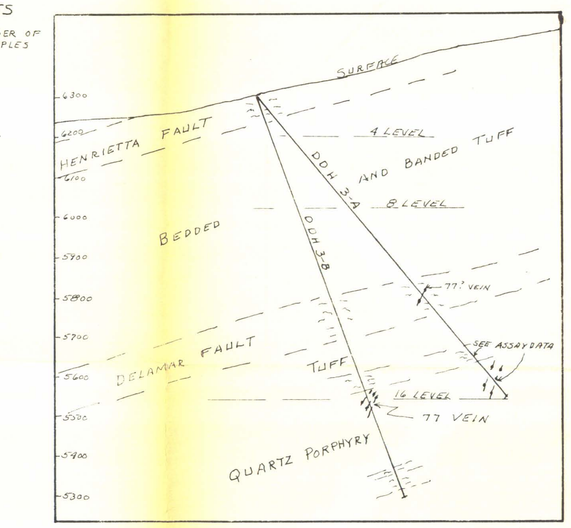
ASSAY DATA - DDH SAMPLES

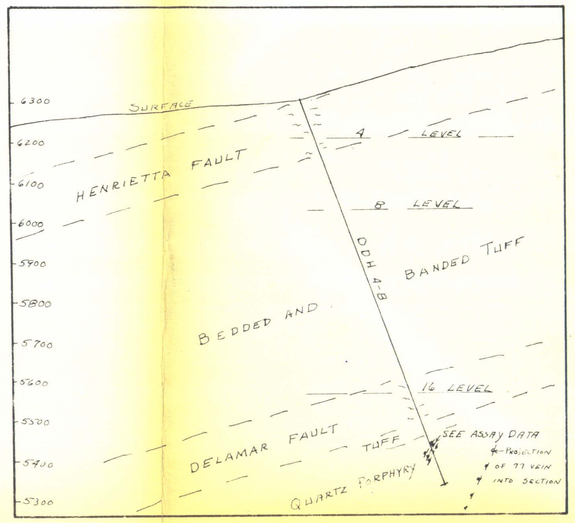
HOLE No	DEPTH FROM	DEPTH TO	AVERAGE Au OZ/TON	AVERAGE Ag OZ/TON	NUMBER OF SAMPLES
1-B	556.8	559.0	0.003	10.3	2
3-A	848.0	852.0	0.0175	16.0	2
	859.6	880.6	0.005	5.3	2
	921.1	922.1	0.055	9.09	2
4-B	852.0	853.6	0.14	5.6	4
	852.0	856.9	0.18	9.92	2
	857.6	859.6	0.11	13.9	1



MAPS SHOWING MAJOR GEOLOGIC FEATURES ON 3 LEVELS OF DELAMAR MINE

0 200 400 600 800 1000 FEET





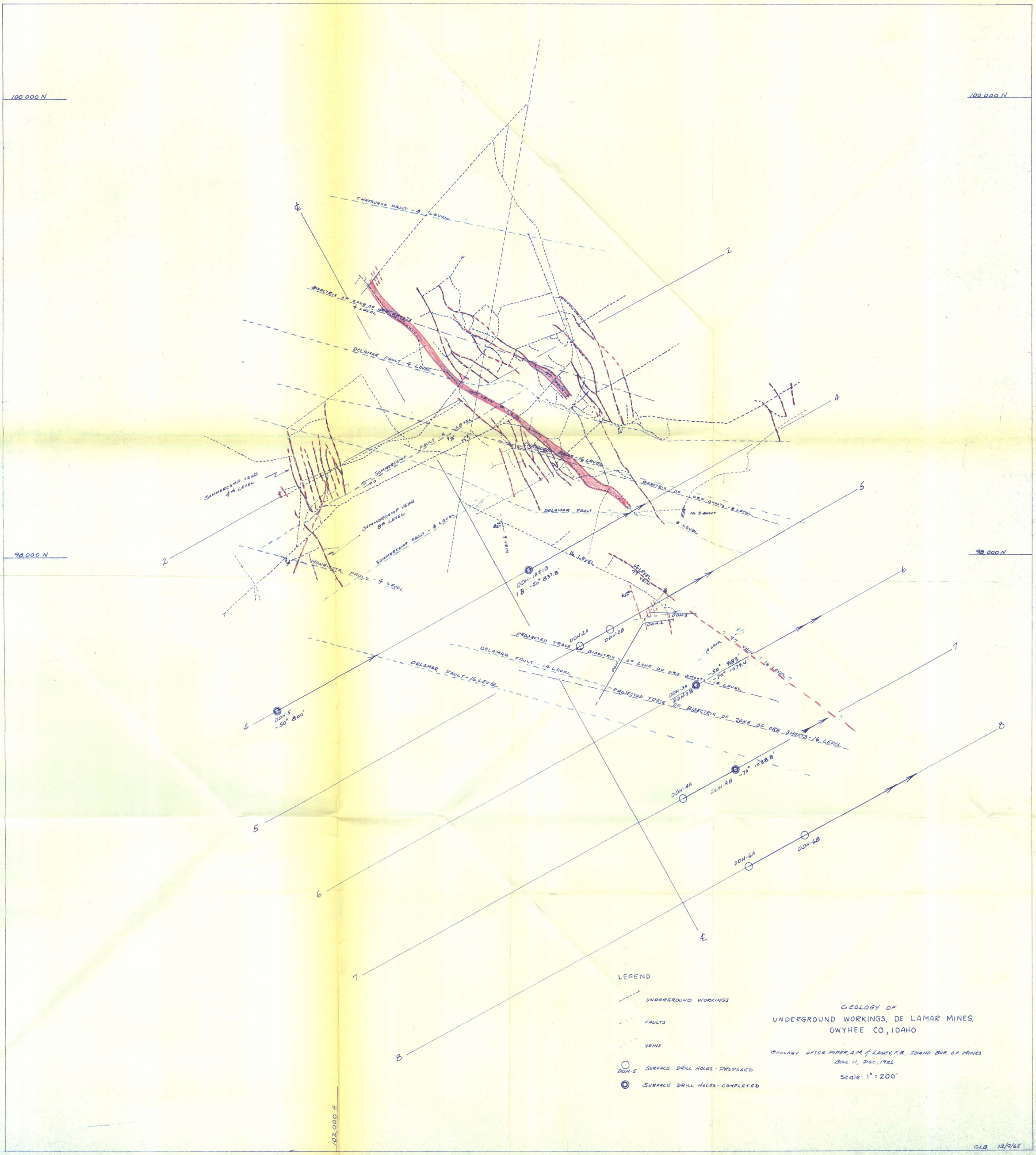
SECTIONS SHOWING GEOLOGY PENETRATED BY OME DIAMOND DRILL HOLES

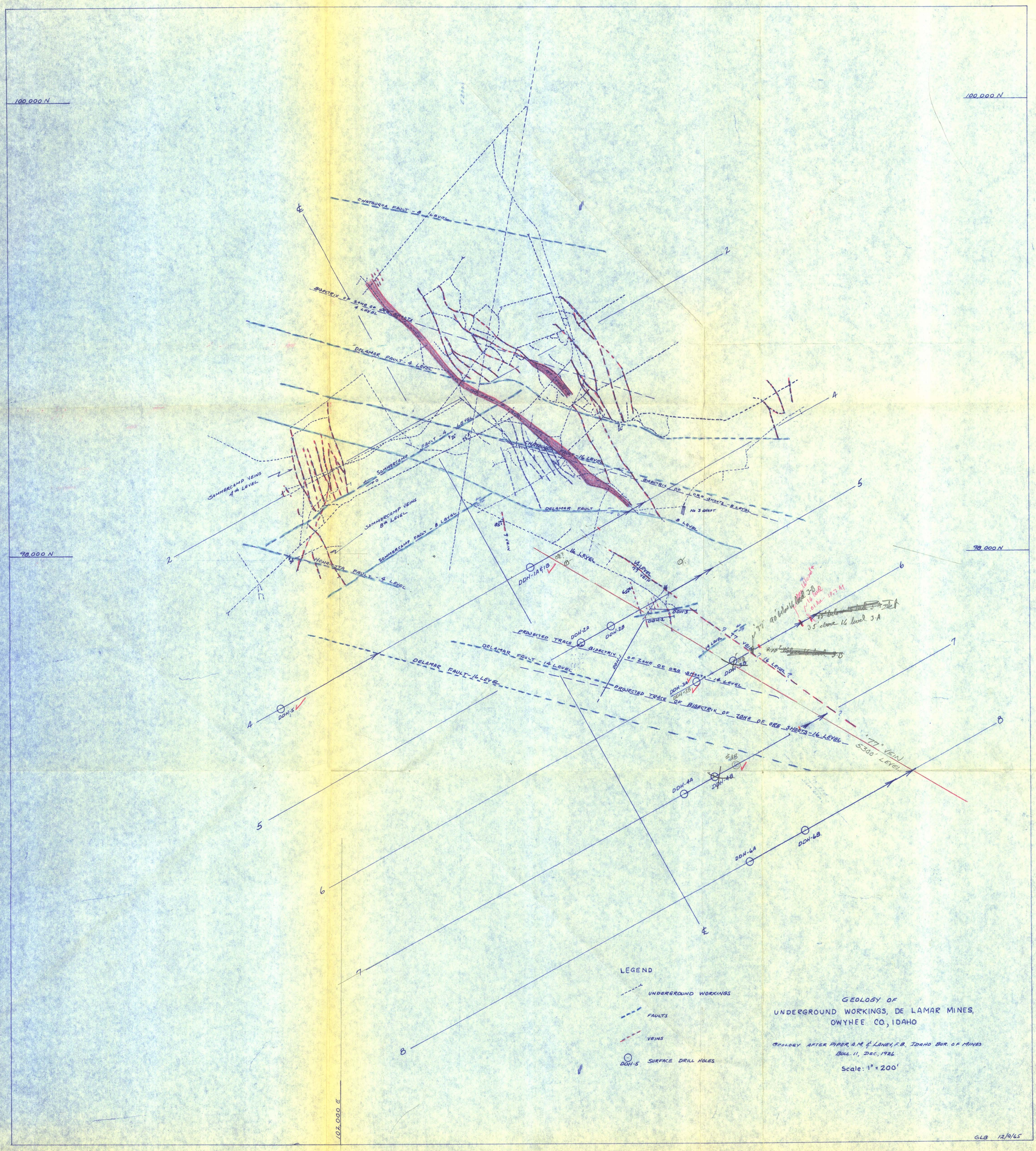
0 200 400 600 800 1000 FEET

ALL DATA COPIED FROM COMPANY'S MAPS - 4/70 by WPP

CORRELATION OF GEOLOGY BETWEEN CROSS-SECTIONS AND LEVEL MAPS IS IMPRECISE

FIGURE 1 - TOPOGRAPHIC, COMPOSITE UNDERGROUND, GEOLOGIC LEVEL MAPS, AND CROSS-SECTIONS THROUGH OME DIAMOND DRILL HOLES, DELAMAR AND SOMMERCAMP MINES AREA, T.5 S., R.4 W., B.M., OWYHEE COUNTY, IDAHO


100,000 N
98,000 N
102,000 E
CHATAUQUA FAULT - 8 LEVEL
BISECTRIX OF ZONE OF ORE SHOOTS 4 LEVEL
DELAMAR FAULT 4 LEVEL
77 VEIN
SOMMERCAMP FAULT - 4 LEVEL
CHATAUQUA FAULT - 16 LEVEL
BISECTRIX OF ORE SHOOTS - 8 LEVEL
SOMMERCAMP VEINS 4th LEVEL
SOMMERCAMP VEINS 8th LEVEL
SOMMERCAMP FAULT - 8 LEVEL
DELAMAR FAULT
No 3 SHAFT
8 LEVEL
16 LEVEL
HENRIETTA FAULT - 4 LEVEL
DDH-1A & 1B
-50° 837.8'
14 LEVEL 77 VEIN
DDH-3
DDH-2
DDH-2A
DDH-2B
PROJECTED TRACE BISECTRIX OF ZONE OF ORE SHOOTS - 4 LEVEL
DELAMAR FAULT - 14 LEVEL
DELAMAR FAULT - 16 LEVEL
-50° 983'
-70° 1079.4'
DDH-3A
DDH-3B
DDH-5
-50° 800'
PROJECTED TRACE OF BISECTRIX OF ZONE OF ORE SHOOTS - 16 LEVEL
DDH-4A
DDH-4B
-70° 1038.8'
DDH-6A
DDH-6B
LEGEND
UNDERGROUND WORKINGS
FAULTS
VEINS
DDH-5 SURFACE DRILL HOLES - PROPOSED
SURFACE DRILL HOLES - COMPLETED
GEOLOGY OF
UNDERGROUND WORKINGS, DE LAMAR MINES,
OWYHEE CO., IDAHO
GEOLOGY AFTER PIPER, A.M. & LANEY, F.B., IDAHO BUR. OF MINES
BULL. 11, DEC., 1926
Scale: 1" = 200'
GLB 12/9/65



GEOLOGY OF
UNDERGROUND WORKINGS, DE LAMAR MINES,
OWYHEE CO., IDAHO

GEOLOGY AFTER PIPER, A.M. & LANEY, F.B. IDAHO BUR. OF MINES
BULL. 11, DEC., 1926

Scale: 1" = 200'

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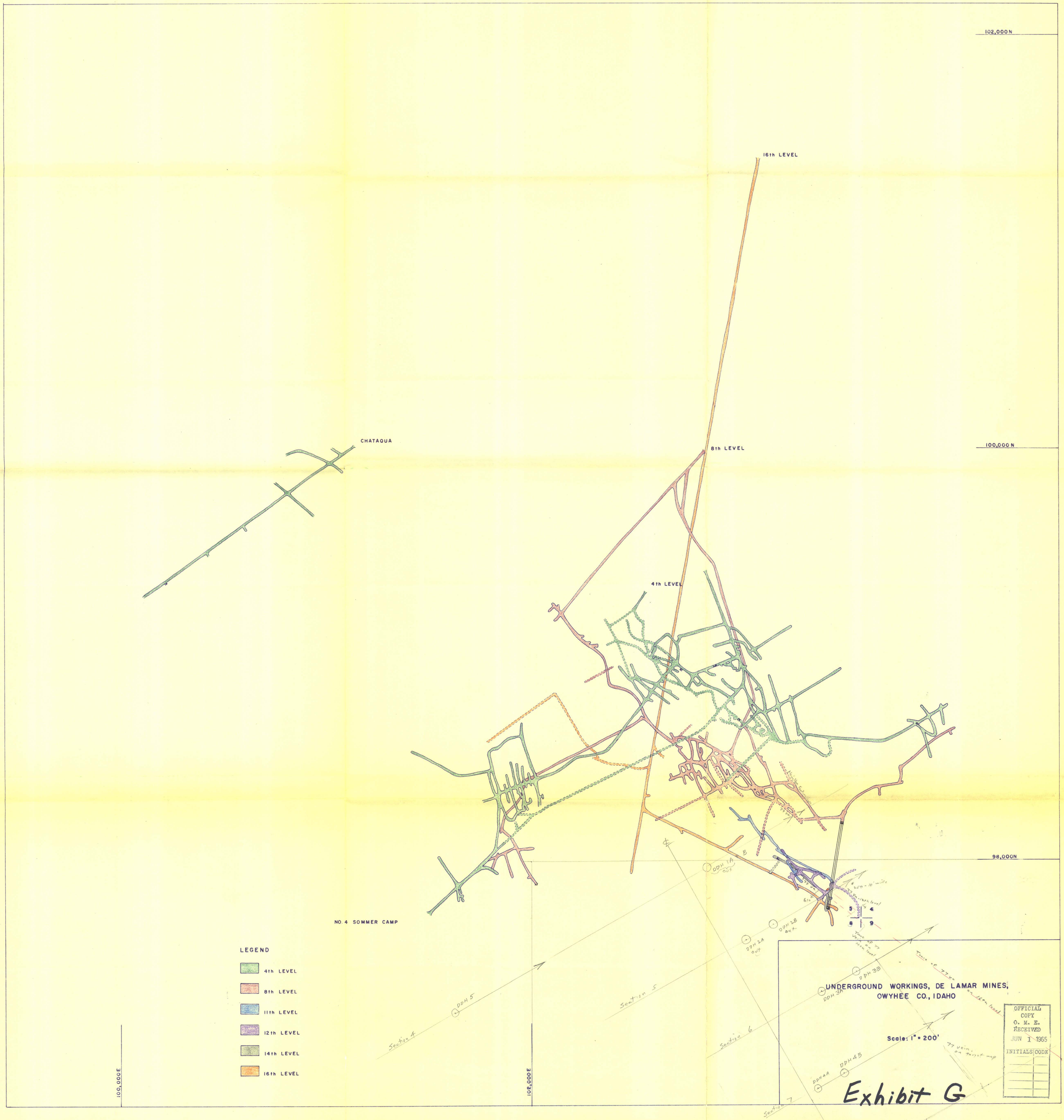
102,000N
16th LEVEL
CHATAQUA
8th LEVEL
100,000N
4th LEVEL
98,000N
NO. 4 SOMMER CAMP
LEGEND
4th LEVEL
8th LEVEL
11th LEVEL
12th LEVEL
14th LEVEL
16th LEVEL
100,000E
102,000E
Section 4
DDH 5
Section 5
Section 6
Section 7
DDH 1A
DDH 2B
DDH 2A
DDH 3B
DDH 3A
DDH 4A
DDH 4B
UNDERGROUND WORKINGS, DE LAMAR MINES,
OWYHEE CO., IDAHO
Scale: 1" = 200'
OFFICIAL COPY
O. M. E.
RECEIVED
JUN 1 1965
INITIALS
CODE
Exhibit G