ONE - 6664 (Silver)
Big Step Mining Co. Inc

Descriptions of the deposit by the Applicant and in County Report Number 6 are not in agreement on the strike of the mineralized zone, and neither report describes the size of the quartz veins, their strike and dip, or their grade. Samples by Phelps Dodge were cut across widths of 3-15 feet but may or may not be restricted to single veins. Three samples show 17-50 oz. silver but most of them show less than an ounce. The Applicants samples ~~are all~~ range from 35 to 96 oz. silver but are not described.

Exploration by churn drilling may be suitable if the dip is 52°, but we question the dip considering that the strike is open to question.

The Applicants are bulldozer operators so it is not expeditious to request better descriptions. From present data it appears that more prospecting (or better mapping) is needed, and exploration is premature.

F.D. get claims, book, page

MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6664

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] 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. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 23 1967
INITIALS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

Big Step Mining Company, Inc.
8540 E. Oak Street
Scottsdale, Arizona 85257

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6664

DATE RECEIVED: 10/23/67

REGION: 1

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: Idaho

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R. C. Murray	8540 E. Oak St., Scottsdale, Ariz.	owner
Joseph A. Murray	Rt 1 Bx 116, Priest River, Ida.	owner
Eugene P. Murray	Rt 1 Bx 116, Priest River, Ida.	owner
Wm. J. Lindstrom	Priest River, Idaho,	owner

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

ESTIMATED COST OF PROJECT: $ $20,550.00

PROPERTY NAME	LOCATION COUNTY	STATE
Big Step	Bonner	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.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

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

October 20,1967
DATED

BY *(Signature)* R. C. Murray
owner
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 open[illegible] *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

R. C. Murray
8540 E. Oak St.
Scottsdale, Ariz. 85257

Item 1. Financial Eligibility

(a) attached

(b) not applicable

(c) There is an estimated cost of $6,000 for dozing to assist drilling. The owners of the Big Step Prospect also own a Bulldozer, so we would furnish that as our share of exploration work.

Item 2. Applicant's Rights in Land

(a) Interest as owner of State lease and Federal claims. (not patented)

(b) legal description: Sec. 31, SW ¼ SW ¼ Sec 30, two claims in Sec. 36 T 59 N R 4 W (refer to large geology map.)

(c) not applicable.

Item 3. Physical Description

(a) The Big Step Prospect is situated on both Federal and State of Idaho land. The Priest River is the Boundary between the two. Access roads, a dike and a sizable excavation have been built on the State side. Some bulldozing operations have been conducted on the Federal side.

(b) Big Step Corporation did the work.

(c) not applicable

(d) ore reserves are not known.

(e) see maps and geological report,

(f) The work done by Phelps Dodge Corporation was all on the State side and was inconclusive. Because of post mineral faulting of the mineralized zone (which appears to be a wide vein-60 ft.) the core recovery was 66% in the zone and 100% on either side. The core drill hit the zone in number B S-5 hole and wasn't deep enough in B S-1 & B S-3 (see map). Drill hole number B S-7 touched a small stringer near the top. The fractured condition of the mineralized zone left much to be desired in core samples. After Phelps Dodge returned the property to us we went back in with a bulldozer and excavated enough over burden to determine that the mineralized zone crossed the river and that there was a definite hanging wall

R. C. Murray
8540 E. Oak St.
Scottsdale, Ariz. 85257

Item 3. (f) continued

and a foot wall. The strike of the zone is N 11° W and dips 55° to the west, confirming the structural results found in B S-5 drillhole. The attached assay results were taken in the area outlined in blue on the map. Some later ones were taken farther away from the river and were of lesser value. With this information we prospected the river as much as possible and found better ore toward the Federal side, our last indication being about 30 feet from the Federal side where it is covered by overburden. After consulting with several geologists and also Phelps Dodge, a concensus of opinion is that more work has to be done to establish the ore content of the zone. Some of the rock reportedly contains some nickel, also.

(g) attached.

Item 4. Accessibility of property.

(a) Eugene Murray, Priest River, Idaho
Phone: Hickory 8-4821.

(b) Priest River, Idaho, 20 miles.

Item 5. Exploration Work.

(a) Because of the crushed condition of the rock in the mineralized zone a core drill seems to be of little value, instead, a churn drill would be used to drill a seven-inch diameter cased hole. As the rock type is well established having a solid core isn't as important as getting all the rock out of the hole and casing, so that it is definitely known that the rock recovered is from the seven inch hole. Four holes are proposed along the strike of the zone and west of the hanging wall 75 ft. The holes would be approximately 200 ft. deep on a vertical line and four should be sufficient. (see map)

(b) Access road on Federal side of the river approximately 1,000 feet long and drop in elevation of 150 feet. A bulldozer will build it from an existing logging road that needs some repair. (see geology map)

R. C. Murray
8540 E. Oak St.
Scottsdale, Ariz. 85257

Item 5. continued

(c) After the execution of an OME contract the work can start in two weeks and be finished two months thereafter. The drilling will start on the State side of the river after approximately four days of bulldozer work to prepare the two drill sites on that side. Thereafter the bulldozer will move to the Federal side and build the access road on the Federal side and prepare the two drill sites there while the drilling is progressing on the State side.

Item 6. Experience

The owners of the Big Step Corporation are recognized as expert bulldozer operators. The drilling will be contracted by bidding and since the type drilling that is needed has been discussed by several experts and the results required are known these preconditions will be set out in the contract. Supervision will be conducted by Big Step personel with the help of several expert consultants.

Item 7. Estimate of Costs.

(a) Four-200 foot holes, seven inches in diameter, 800 feet of casing, expected cost $15.00 per foot. Total expected cost $12,000.00

(b) One man for two months at $650.00 per month, plus $150.00 for transportation. Total $1,450.00

(c) $100.00 for dynamite for access road. Total $100.00

(d) Bulldozer supplied by Big Step, Caterpillar D6-C, two years old. Expected cost of bulldozer work, $6,000.00

(e)not applicable

(f) not applicable

(g) No repair expected. Assay costs expected $1,000.00

Total cost Item 7 from a to g inclusive: $20,550.00

Item 1 (a)

FIRST NATIONAL BANK OF ARIZONA
MEMBER F.D.I.C.

SCOTTSDALE OFFICE
6 SOUTH SCOTTSDALE ROAD, SCOTTSDALE, ARIZONA 85252 - PHONE 271-6853

October 9, 1967

Re: Robert C. Murray
8540 East Oak
Scottsdale, Arizona

To Whom It May Concern:

On October 6, 1967, Mr. Murray approached this bank with a request for a $25,000 loan. He informed us that these funds were to be used for the exploration of a silver prospect.

Due to the nature of the loan, which is of a speculative nature, and in accordance with our normal lending policies, we were unable to qualify or honor Mr. Murray's request. This decision was in no way based on Mr. Murray's character, etc.

Sincerely,

ROBERT A. JARVIE
Assistant Manager

RAJ:mrg

Item 1(a)

114-7

VALLEY NATIONAL BANK
PHOENIX, ARIZONA

October 12, 1967

COPY

Mr. Robert C. Murray
8540 East Oak Street
Scottsdale, Arizona

Dear Mr. Murray:

We are sorry that we will be unable to make the term loan of $25,000 which you recently requested for the purpose of prospecting for silver in the Priest Lake, Idaho area.

We thank you for having contacted us and hope that we can be of service to you in the future in some other way.

Very truly yours,

G. H. Thomson
Commercial Loans

GHT:med

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/8/68	RMSmith	120
7/8/68	Koberno	120
		110
		220
		120M

AIRMAIL

JUL 8 1968

Big Step Mining Company, Inc.
8540 East Oak Street
Scottsdale, Arizona 85257

Re: OME-6664 (Silver)
Big Step Mining Company, Inc.
Big Step Prospect
Bonner County, Idaho

Gentlemen:

We have not received a reply to our letter of April 26, 1968. Accordingly, we are considering your application for financial assistance as having been withdrawn. The documents in your application numbered 3(f), 3(g), and 5(a) which are marked "Return" are enclosed.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Smith

RMSmith/bsl 7/8/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/16/68	RMSmith	120
4/25/68	Kirkemo	120
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		120M

APR 26 1968

AIRMAIL

Big Step Mining Company, Inc.
8540 East Oak Street
Scottsdale, Arizona 85257

Re: OME-6664 (Silver)
Big Step Mining Company, Inc.
Big Step Prospect
Bonner County, Idaho

Gentlemen:

We have not received a reply to our letter of January 25, 1968 to you. Will you please inform us of your plans regarding the application cited above.

If we do not receive a reply from you within 30 days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

Harold Kirkemo (gfr)

Harold Kirkemo, Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Smith
Region I

RMSmith/bsl 4/16/68

120

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120M

1968

AIRMAIL

Big Stump Mining Company, Inc.
8340 East Oak Street
Scottsdale, Arizona 85257

Re: OME-4664 (Silver)
Big Stump Mining Company, Inc.
Big Stump Prospect
Bonner County, Idaho

Gentlemen:

Thank you for your letter of January 16, 1968, enclosing a bid for chess drilling, stating that you are not prepared financially to furnish a performance bond at this time, and asking if there is a time limit on completing the preliminary information needed to process an application.

While we cannot hold an application indefinitely, we do wish to cooperate with you fully in allowing ample time to furnish assurance that you can finance your share of the costs of the proposed exploration and to furnish the other information requested in our letters of October 27 and November 13, 1967. We shall continue to hold your application in our active file for another 90 days. At that time we would appreciate a letter indicating us whether you prefer to proceed with the application or to withdraw it.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
~~OME~~ File
OME Reading File
Mr. Smith
Region I w/copies of incoming ltrs.

R. C. Murray
Big Step Mining Co.Inc.
8540 E. Oak St.
Scottsdale, Ariz. 85257

11-16-67

Re: OME -6664 (Silver)
Big Step Prospect
Bonner County, Idaho

C O P Y

Bid Quotation

Cost to drill 6" test holes 4 holes 200 ft. each $7.50 per ft. without casing.

If casing is necessary cost will be $1.50 per ft. for 6" casing used.

In and out cost $200.00 ($50.00 per move and setup.)

Any work or materials other than mentinned above which should be needed will be an extra charge & bid as such.

Zinkgraf Well Drilling Co.
by Carl E. Zinkgraf

Copy to R-I

E. 1606 SHARP AVENUE KEYSTONE 4-4602

ZINKGRAF'S WELL DRILLING
WELL DIGGING
DRILLING AND TEST HOLES
(SINCE 1888)

SPOKANE, WASHINGTON

Nov. 16, 1967

Mr. Eugene Murry
Rt. #1, Box 116
Priest River, Idaho.

BID QUOTATION.

Cost to drill 6" test holes 4 holes 200 ft. each

$7.50 per ft. without 6" casing.

If casing is necessary cost will be $1.50 per ft.
for 6" casing used.

In and out cost $200.00. ($50.00 per move & setup.)

Any work or materials other then mentioned above which
should be needed will be an extra charge & bid as such.

Zinkgraf Well Drilling Co.

ae

By, Carl Zinkgraf

C. Murray
Big Step Mining Co. Inc.
8540 E. Oak St.
Scottsdale, Arizona 85257
January 16, 1968

Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Dept. of the Interior
Washington, D. C. 20242

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 22 1968
INITIALS | CODE
130
120
110
130

Re: OME-6664 (Silver)
Big Step Mining Co.,Inc.
Big Step Prospect
Bonner County, Idaho

Dear Mr. Johnson:

In reply to your letters of November 13,1967 and January 10, 1968. We have received only one return from churn drill bidders, which is enclosed.

In answer to furnishing a Performance Bond, we are not prepared financially to do so at this time.

Is there a limit on the time it takes to complete all the necessary obligations before entering into a contract? We cannot pursue the application further at this time.

Sincerely,

R. C. Murray
for Big Step Mining Co.,Inc.

RCM:vm

120 Stokemo 1/19/68

120M Rinehart

110

220

120M

JAN 1 0 1968

AIRMAIL

Big Step Mining Company, Inc.
8340 East Oak Street
Scottsdale, Arizona 85257

Re: OMK-4664 (Silver)
Big Step Mining Co., Inc.
Big Step Prospect
Bonner County, Idaho

Gentlemen:

We have not had a reply to our letter of November 13, 1967. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geolgoy File
OME File
OME Reading File
Mr. Smith
Region I

RMSmith/bsl 1/10/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/13/67	RMSmith	120
11/13/67	[illegible]	120
		110
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		120M

NOV 13 1967

AIRMAIL

Big Step Mining Company, Inc.
8540 East Oak Street
Scottsdale, Arizona 85257

Re: OME-6664 (Silver)
Big Step Mining Co., Inc.
Big Step Prospect
Bonner County, Idaho

Gentlemen:

Thank you for your letter of recent date in which you state that bids for churn drilling will be submitted as soon as you receive them, and that you are willing to post a bond on the portion of Government funds to be spent on Idaho State land.

Under an OME contract a mineral discovery in any part of the project area obligates an Operator to make royalty payments toward repaying the Government's share of the entire project costs. Accordingly, in order to protect the Government's interest in a possible discovery on state-owned land, a Performance Bond on Standard Form 25 in the total amount of the Government's contribution would be required in the event of a contract.

We are enclosing a copy of the form for your information. Please inform us whether or not you would be willing to furnish a bond in the full amount of the Government's share of the estimated costs.

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 Docket
OME Reading File
Mr. Smith
Region I

RSmith/bsl 11/13/67

23263

Big Step Mining Co.,Inc.
R. [illegible]. Murray
8540 E. Oak Street
Scottsdale, Arizona 85257

Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Dept. of the Interior
Washington, D. C. 20242

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 8 1967
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~~110~~
120S

Re: OME-6664 (Silver)
Big Step Mining Co., Inc.
Big Step Prospect
Bonner County, Idaho

Dear Sir:

The estimate of the bulldozer work is based on $25.00 per hour and past experience. Two of the drill hole locations are in the river bed and two are on the bank on opposite sides. A prior incident during previous exploration involved a slide of approximately 1,500 tons of rock and sand. The area in and adjacent to the zone is extremely unstable. The clean-up of the slide involved approximately twenty-twelve-hour days. The Federal side of the river involves working in this type of terrain for approximately 500 feet horizontally and 100 to 120 feet vertically. An accompanying picture will show part of the zone and the types of terrain. It is feasible that the bulldozer work will be accomplished with less expenditure but the estimate is based on the work being performed under the worst conditions. It is expected that an extra amount of work will have to be performed to make the work area safe.

The largest initial costs will be the bulldozer work which is already arranged for. The cost for the drilling will come from personal funds of the company members, by cash and collateral owned by them.

The part of the work performed on State land will be less than half of the total. Whatever the government's share of that amount would be, we would be willing to post a bond on that portion. As Federal ground is subject to Lien and Subordination Agreements we see no reason for a bond on the whole project. !?

Bids on the churn drilling will be forthcoming as soon as we receive them.

Sincerely,

R. C. Murray

R. C. Murray
for Big Step Mining Co.Inc.

encl.

ATTACHED SHEET 1

Big Step Prospect
OME 6664(silver)

The view is of the Federal side of the river. The road enters from the left. The rib of rock right center is the foot wall of the zone. The hanging wall is out of the picture on the left.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/27/67	Peters	120
10/27/67	[illegible]	120
		110
		220
10/30	BHD	120M

AIRMAIL

Big Step Mining Company, Inc.
8540 East Oak Street
Scottsdale, Arizona 85257

Re: OME-6664 (Silver)
Big Step Mining Company, Inc.
Big Step Prospect
Bonner County, Idaho

Gentlemen:

Preliminary review of your application for financial assistance in exploring the referenced property indicates that additional information on Financial Eligibility and Costs is needed.

In answer to Item 1(c) on the application form, you state that your share of the exploration costs will be furnished by use of your own D-6 bulldozer and labor for four days to construct a 1000-foot access road and two drill sites at an estimated cost of $6,000.00. On the basis of a 10-hour day, the estimated cost for this work is $150.00 per hour, which is more than the going rate.

Under an OME contract, depreciation is allowed on equipment owned by the operator at a rate of 1/60th of its fair market value or its book value, whichever is less, for each month the equipment is actually used. Labor is allowed at the prevailing wage scale in the area. In addition, the Government does not advance funds for its share of the costs. An operator pays all of the first month's costs and then submits a voucher on forms furnished by the Government. After approval, the operator is reimbursed for the Government's share of the costs. As it usually takes two or three weeks to reimburse an operator, he should have sufficient funds at hand to cover all costs for at least two months. Thereafter, normally, reimbursement is received at monthly intervals. In these circumstances, please explain in detail how you plan to finance your share of the total exploration costs.

Churn drilling is to be performed by an independent contractor. Please submit bids from three independent contracts if possible for this work.

23263

For your information, we have found that Lien and Subordination Agreements cannot normally be obtained for state-owned land. In the event of a contract, you would be required to post a Performance Bond in the amount of the Government's contribution to the total costs. Please indicate whether you are prepared to furnish such a bond if a contract is granted.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON (glr)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith
Region I

RSmith/bsl 10/27/67

October 24, 1967

Big Step Mining Company Inc.
8540 E. Oak Street
Scottsdale, Arizona 85257

Subject: OME-6664

Gentlemen:

Your application for exploration assistance, dated October 20, 1967, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6664.

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

Sincerely yours

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

11/8/67