DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 5024

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [x] Project summary (final)
- [ ] Work Completed analysis (final)

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual 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

17963

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

May 15, 1958

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Mercury)
Bruce Dailey
Staggs-Quilici Mining Claims
Elko County, Nevada

Enclosed are three sets of MF-103, Application for Aid forms, relative to above subject. The fourth set has been retained in our files.

S. Ricker

Attachments

RECEIVED
DATE
5/20 NSM 400

Form MF–103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

DEFENSE MINERALS EXPLORATION ADMINISTRATION

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

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

Bruce Dailey
c/o General Delivery
Midas, Nevada

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-5024

Date Received: 5-19-58
5/15/58 Reno

Government Participation %:

Region: II

Division Code: 400

BUSINESS ORGANIZATION (Check one)

- Individual [X]
- Corporation [ ]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title

Mineral(s) for which you wish to explore: Cinnabar

Estimated Cost of Project: $ 36,010

LOCATION OF PROPERTY

Name	County	State
Staggs-Quilici mining claims 1-6	Elko	Nevada

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Revised, "Government Aid in Defense Exploration Projects." 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 four 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 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. 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 2(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 Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA 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.

10 May 1958
Dated

Bruce Dailey
BY *(Signature)*

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. *Applicant's Property Rights:*

(a) 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 land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *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 lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as 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 on the property giving quantities and grades and sampling methods used, supporting 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 may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the 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 *property boundaries* or to the closest identifiable corner.

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

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and [redacted] many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, 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. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. 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 operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *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 on the exploration project.

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

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(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 – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

[redacted]P. SEC., WASH., D.C. 25960 [redacted]

APPLICATION FOR AID IN AN EXPLORATION PROJECT

INFORMATION REQUIRED

1- a. Staggs-Quilici Mining Claims 1 through 6 as recorded in the County Recorder's Office, Courthouse, Elko, Elko County, Nevada.
Claim #1, Book 31, page 355, File # 120055 Filed 5 June 1954
Claim #2, Book 31, page 356, File # 120056 Filed 5 June 1954
Claim #3, Book 33, page 185, File # 122306 Filed 25 Oct 1954
Claim #4, Book 33, page 186, File # 122307 Filed 25 Oct 1954
Claim #5, Book 33, page 187, File # 122308 Filed 25 Oct 1954
Claim #6, Book 33, page 188, File # 122309 Filed 25 Oct 1954

b. Staggs-Quilici Mining Claims
c. Lessee. Copy of lease attached.
d. Lease payments of $400.00 per month

2- a. High-grade deposits on surface have been processed. (see attached photostats)
Two tunnels drifted. (one 30', one 175') Bulldozer cuts and roads.
Three holes drilled. (one 305', one 205', one 280' to date)
One, two tube (12"x11') retort furnace.
b. Drill holes.
c. Approximately 1,000 pounds of Mercury removed from surface pockets. (see the attached sales records.)
d. Panning samples indicated from traces up to 80 - 90 pound ore at many different locations along fault line one half mile long. Assay report being forwarded from Nevada Mineral Lab. to Reno office.
e. Located on hillside (NE) adjacent to Ryolite outcroppings in both bedded and pocket formations.

3- a. Bruce Dailey will meet DMEA representative at Midas, Nevada, any time requested. Property located approximately 30 miles NE and accessible only by four wheel drive vehicles.
b. Battle Mountain and Winnemucca. Difficulty in reaching property requires that the employees, workmen, etc. reside at the claim sites.

4- a. Plan on drilling approximately 10, 5 inch holes down to 600 feet. If drillings proved an ore body, would then figure on drifting tunnels on in.
b. A relatively small amount of work by bulldozer over approximately five miles, would make available an existing road into Tuscarora.
c. Work of drilling now in progress. Should finish in six to eight months. Expect to drill approximately one thousand feet per month.

5- The undersigned has been a real estate broker for the past 12 years, but have a drill crew with up to 15 years experience in all types of drilling. Also have two prospector-miners with 20 and 40 years experience respectively. Then as consultant and advisor; Marian Shindell and Ed Bottomley, mining engineers. Also in very near future expect to have Dr. Vincent P. Gianella, Geologist, inspect property and advise on best procedure and drill sites.

6- a. Per foot of drilling - $5.00 (6,000 feet @ $5.00 = $30,000) +
b. Engineering and geological services unknown at this time. Bal. incld in a.
c. Food, light & heat - $1,500 Gasoline - $1,200 Drilling and coring bits. $1,250
Drilling mud - $500 Cement-$100 Miscellaneous oil, grease, packings etc $300
Renting bulldozer for two weeks - $1,160 Total - $36,010

7- a. Yes
b. Will spend full time supervising this project and arrange to pay fifty percent of above costs.

Bruce Dailey

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

[illegible]

DATE [illegible] 26, 1957
YOUR ORDER NO.
OUR LOT NO. [illegible]
F.O.B.
SHIPPED VIA

[illegible]	[illegible]	[illegible]

[illegible] PRIME VIRGIN [illegible] [illegible] [illegible]
[illegible] [illegible]

SETTLEMENT:

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

PRODUCERS AND DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

G. C. STAGGS
GOLCONDA
NEVADA

DATE AUGUST 5, 1955
YOUR ORDER NO.
OUR LOT NO. 60062
F.O.B.
SHIPPED VIA

GROSS	TARE	NET
84#	7#	77#

77# PRIME VIRGIN @ $3.157 $243.09
LESS FREIGHT 1.74
$241.35
LESS FLASKS 6.25
$235.10

SETTLEMENT:

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

PRODUCERS AND DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

G. C. STAGGS
GONCONDA
NEVADA

DATE JULY 19, 1955
YOUR ORDER NO.
OUR LOT NO. 60015
F.O.B.
SHIPPED VIA

GROSS	TARE	NET
350 3/4#	36 3/4#	314#

314# PRIME VIRGIN @ $3.289 $1,032.75
LESS FREIGHT 7.20
$1,025.55
LESS FLASKS 6.25
$1,019.30

SETTLEMENT:

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

G. C. STAGGS
MANHATTAN
NEVADA

DATE SEPTEMBER 11, 1957
YOUR ORDER NO.
OUR LOT NO. 18390
F.O.B.
SHIPPED VIA

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

PRODUCERS AND DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

G. C. STAGGS
BOX 66
GOLCONDA, NEVADA

DATE JULY 6, 1955
YOUR ORDER NO.
OUR LOT NO. 95370
F.O.B.
SHIPPED VIA

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

PRODUCERS AND DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS ASSOCIATION

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

PURCHASED FROM

G. C. STAGGS
MANHATTAN
NEVADA

DATE [illegible]
YOUR ORDER NO.
OUR LOT NO. 12767
F.O.B.
SHIPPED VIA

---

2 X 76# Flasks PRIME VIRGIN @ $230.00 $460.00
LESS FREIGHT 4.23
$455.77

SETTLEMENT:

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

C. STAGGS
BOX 87
GOLCONDA, NEVADA

DATE JUNE 13, 1957
YOUR ORDER NO.
OUR LOT NO. 18086
F.O.B.
SHIPPED VIA

GROSS	TARE	NET
87 1/4#	7#	80 1/4#

80 1/4# PRIME VIRGIN @ $3.19 $256.00
LESS FREIGHT 2.13
253.87
LESS FLASKS 7.00
$246.87

SETTLEMENT:

[illegible] PRIME VIRGIN [illegible] $3.46 [illegible]
LESS FREIGHT [illegible]
[illegible]

SETTLEMENT:

MANUFACTURERS OF
BALLARD'S TRIPLE DISTILLED C. P. MERCURY
BALLARD'S REDISTILLED N. F. MERCURY
BALLARD'S SPECIALLY REFINED TECH. MERCURY

PRODUCERS AND DEALERS IN
PRIME VIRGIN QUICKSILVER

BALLARD'S IMPROVED
AMALGAMATOR & PLATE DRESSING

QUICKSILVER PRODUCTS, INC.

407 SANSOME STREET
SAN FRANCISCO. 11
SUTTER 1-1988

314 OMAR AVENUE
LOS ANGELES. 13
MUTUAL 9135

PURCHASED FROM

G. C. STAGGS
GOLCONDA
NEVADA

DATE OCTOBER 5, 1956
YOUR ORDER NO.
OUR LOT NO. 61519
F.O.B.
SHIPPED VIA

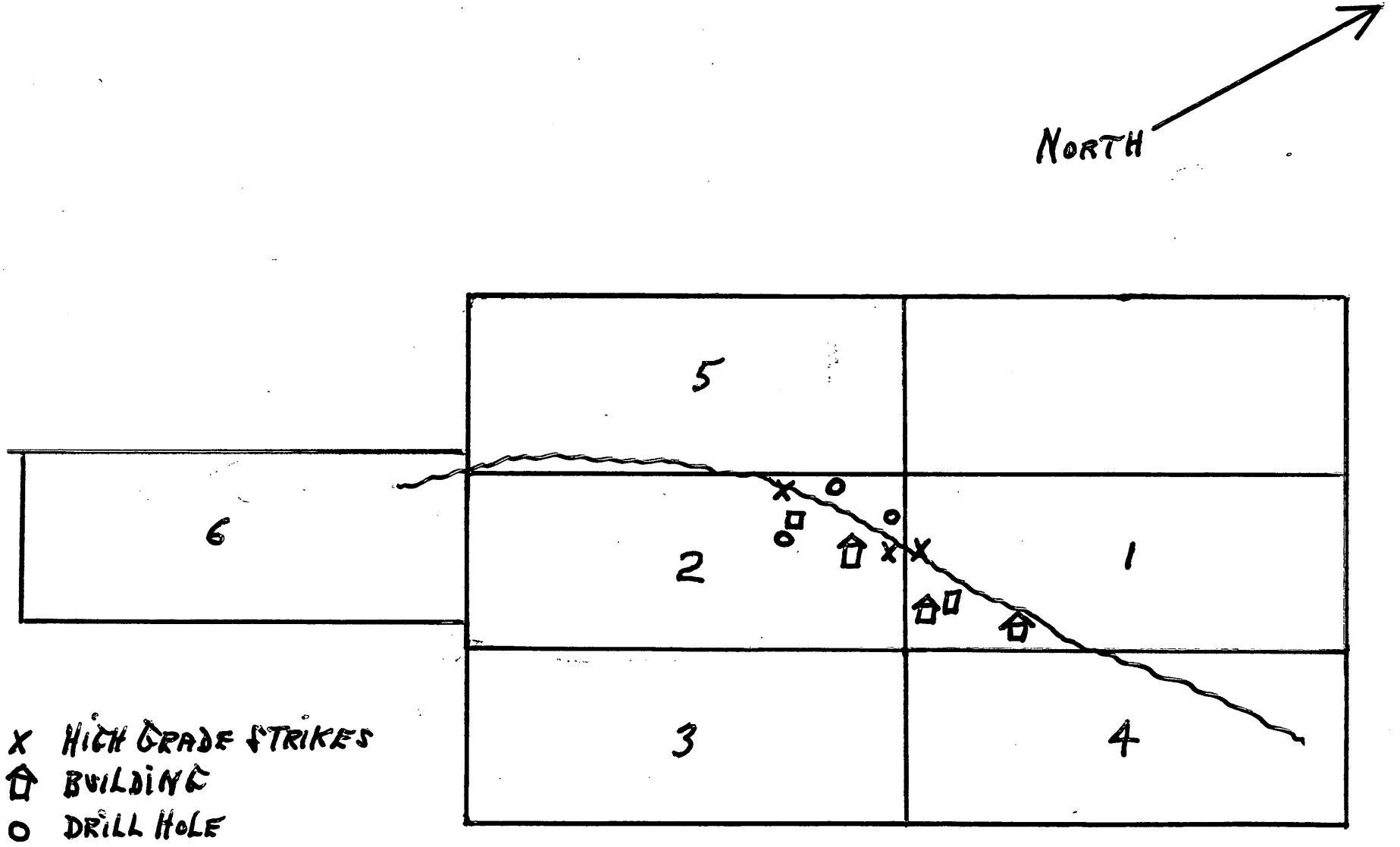
GROSS	TARE	NET
78 1/4#	8 1/4#	70#

70# PRIME VIRGIN @ $3.157 $220.99
LESS FREIGHT 3.30
$217.69

SETTLEMENT:

[illegible] PRIME VIRGIN [illegible] [illegible]

IMPORTANT
[illegible]



X HIGH GRADE STRIKES
BUILDING
O DRILL HOLE
TUNNEL
FAULT LINE (RYOLITE OUT CROPPINGS)

EACH CLAIM 600 FT. X 1500 FT.

Bruce Bailey

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-1	Chapman	400
8-1	Martin	400
		110
		100

August 1, 1958

MEMORANDUM:

To: Administrator, DMEA

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Denial of the subject application for exploration assistance in the amount of $36,010.00
Docket No. DMEA 5024 - Mercury
Bruce Dailey
Staggs-Quilici Mining claims
Elko County, Nevada

Due to the lack of data in Washington before June 30, 1958, we were unable to process this application prior to that date. However, had processing been completed, we would have been unable to recommend a project based upon the information available to us concerning the property.

On May 10, 1958, Mr. Bruce Dailey of Midas, Nevada, applied for exploration assistance on the above-noted property in the amount of $36,010.00 for access roads, drill sites and rotary drilling.

A field examination was made on May 20, 1958, by Glenn G. Gentry, Bureau of Mines, accompanied by Mr. Bruce Dailey.

Applicant: Mr. Bruce Dailey
General Delivery
Midas, Nevada

Property Ownership: The property consists of six unpatented lode mining claims owned by Grover C. Staggs and Angelo Quilici, situated in section 33, T. 39 N., R. 49 E., in the Rock Creek Mining District, Elko County, Nevada, and recorded as follows:

Claim Name	Book No.	Page No.
No. 1	31	355
No. 2	31	356
No. 3	33	185
No. 4	33	186
No. 5	33	187
No. 6	33	188

8623

On April 28, 1958, the property was leased by the owners to Bruce Dailey and Adger Lindholm, and on April 29, Mr. Lindholm assigned his interest to Mr. Dailey.

Geology: The country rock of the area is a rhyolite, which has been upthrust, highly leached, and altered and in which one major fault striking northwest-southeast and dipping 65 to 75 degrees west contains minor sporadic distribution of cinnabar. In one area cross fracturing striking east-west has cut the walls of the fault. The cinnabar mineral deposition has occurred generally in fault gouge and breccia along the walls of the fault or in the joint planes of the altered capping.

Past History and Production: The claims were located in 1954, and the locator produced about 1,000 pounds of mercury. In 1957 the property was leased to Mr. Montgomery and associates and the lower and upper adits wer extended, roads were constructed and numerous trenches were excavated.

Under the present lease four rotary drill holes have been drilled for a total of 977 feet.

No production has been made by the lessees.

Development: The total work on the property consists of 212 feet of adit, 17 feet of shaft, 1,500 feet of bulldozer trenches and 977 feet of rotary drill hole.

Ore Value and Tonnage: The 13 flasks of mercury produced came from about 40 to 50 tons of ore, which would indicate a value of about 1 percent mercury. This ore came from a surface exposure about 30 feet long and 2 to 3 feet wide.

The weighted average of 8 samples from the best mineralized ore is 1.7 pounds of mercury per ton. Twelve samples from other areas give a weighted average of 0.33 pounds of mercury per ton.

In the area of the 30 foot adit and 17 foot shaft the following reserves are estimated:

	Tons	Pounds Hg. per ton
Measured	None	[illegible]
Indicated	500	3.00
Inferred	1000	3.00

Applicant's Proposal:

The Applicant proposed to drill 10 rotary drill holes to a depth of about 600 feet each or a total of 6,000 feet at an estimated cost of $36,010.00

Conclusions and Recommendations:

The examing engineer found little or no mineralization in the areas exposed by dulldozing or in the walls of the fissure, and as the samples taken show very small mercury values, believes there is little possibility of finding any significant ore reserves, and recommends that the application be denied. The Field Team concurs in this recommendation.

The Commodity Divisions of the Geological Survey, and the Bureau of Mines, concur in the recommendations of the examining engineer and the Field Team.

W S Martin

W.S. Martin, Director
Division of Iron and Ferro-Alloys

TLCHAPMAN/dlm 7-31-58
cc to: Code 400
Admr. R. File
Oper. Comm.
Code 110

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-1	Chapman	400
8-1	Martin	400
		130
	Hopes	
	Kiilsgaard	
8/1	Johnson	110
1	Smithendal	100
		220

AUG 1 1958

Mr. Bruce Dailey
% General Delivery
Midas, Nevada

Re: Docket No. DMEA 5024 - Mercury
Staggs-Quilici Mining Claims
Elko County, Nevada

Dear Mr. Dailey:

We regret that we were unable to completely process your application for exploration aid prior to June 30, 1958, the termination date for approving new contracts, as announced by the enclosed copy of a news release of June 6, 1958.

However, had the processing been completed, we would have been unable to approve a project based on the information available to us in Washington concerning your property.

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

Sincerely yours

C. G. Mittendorf (for)

Administrator

Enclosure

TLCHAPMAN/dlm 8-1-58
cc to: Code 400
Admr. R. File
OPER. COMM.
REG. II
Messrs. J. W.Pennington, USBM
T. H.Kiilsgaard, USGS

8623

IN REPLY REFER TO:

DME
RECEIVED JUL 24 1958

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

7/2	B	228
	WSM	400

July 23, 1958
Re: DMEA 5024
Bruce Dailey
Staggs-Quilici Mining Claims
Elko County, Nevada
$36,010 - Mercury

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring a mercury-bearing fault in rhyolite, by drilling 10 5-inch; 600-foot holes.

A small amount, about 1,000 pounds, of mercury has been recovered from a near-surface high grade pocket (or pockets) beneath an outcrop. Two adits, 30 and 175 feet long, and a 17-foot shaft driven in faults or a fault zone, and bulldozing and 4 drill holes have failed to reveal another pocket.

The examiner sampled the exposures of slightly mineralized material in surface cuts and the adits. One 7-foot sample from a surface cut assayed 4.7 pounds Hg per ton. (The location of the 7-foot sample on the map (Fig. 3) does not agree with the description in the narrative). The other 14 samples represent low grade to practically barren material.

Unless the NW-SE fault is very wide, 400 - 450 feet, the showing above and in the lower adit seems to be unrelated to the showing at the 17-foot shaft, upper adit, and dozer trenches.

It appears one pocket of high grade, 20-pound, rock has been found and mined out. Just why the 4 drill holes were placed where they are in a search for other pockets is not apparent, and the 10,600-foot holes proposed are not warranted. The recommendation of the examiner that the application be denied is quite appropriate and I concur with it.

N. E. Nelson

N. E. Nelson

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DMEA
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DATE	INITIALS	CODE
7/22	W.S.	225
	WSM	400

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

July 21, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Report of Examination, Docket No. DMEA 5024 (mercury), Bruce Dailey, Staggs-Quilici Mining Claims, Elko County, Nevada. $36,010

The examination of the subject property revealed that cinnabar mineralization was lacking in surface exposures and four drill holes drilled to a maximum depth of 280 feet. Samples taken from the best mineralized area of the geological target averaged only 1.7 pounds hg/ton. Because of the narrow widths, the short strike lengths and lack of sufficient mineralization, the examiner concludes there is no evidence to indicate that a significant discovery could be made and he recommends that the application be denied.

I concur in that recommendation.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
F i l e s

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

July 16, 1958

DMEA
RECEIVED JUL 18 1958

DATE	INITIALS	CODE
7/18	C	220
	esy	130
7/22	CD	220
	WSM	400

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-5024 (Mercury)
Bruce Dailey
Staggs-Quilici Mining Claims
Elko County, Nevada
(Your letter, May 27, 1958)

Enclosed are three copies of a report by Glenn G. Gentry, Bureau of Mines, on subject property.

Roscoe Smith and I concur in the recommendation that the application for exploration aid be denied.

S. Ricker

Attachments

Reviewed by
DMEA OPERATING COMMITTEE
7/21/58
(Date)

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DMEA
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DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA-5024 (Mercury)
Bruce Dailey
Staggs-Quilici Mining Claims
Elko County, Nevada

ON SITE EXAM

by

Glenn G. Gentry

U. S. Bureau of Mines

July 15, 1958

Reviewed by
DMEA OPERATING COMMITTEE
7/21/58
(date)

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Location, Accessibility and Local Facilities	3
History and Production	4
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Ore Deposits	7
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ILLUSTRATIONS

Figure 1 . . . . . Index map

Figure 2 . . . . . Claim map

Figure 3 . . . . . Composite map of workings

Figure 4 . . . . . Plan: lower adit

INTRODUCTION

On May 10, 1958 Mr. Bruce Dailey, General Delivery, Midas, Nevada, applied to the Defense Minerals Exploration Administration, Docket DMEA-5024, for assistance in a $36,010.00 program to explore for mercury on the Staggs-Quilici Claims, Elko County, Nevada.

A field examination was requested by the Operating Committee. The examination was made on May 20 through May 22, 1958 by Glenn G. Gentry, U. S. Bureau of Mines, accompanied by Mr. Bruce Dailey.

Sketch maps of the workings were made and 20 samples were taken.

CONCLUSIONS AND RECOMMENDATIONS

Cinnabar mineralization is confined to and between the steeply-dipping walls of a NW-SE striking fault which cuts the bedding of a rhyolite (?) flow.

(1) No mineralization was noted in the surface exposures from which the overburden had been removed nor in the walls of the fissure.

(2) Bulldozer cuts south of the present workings were not successful in exposing the fissure or mineralization.

(3) Drill Holes Nos. 1, 2, 3, and 4, drilled to a maximum depth of 280 feet, were not successful in disclosing cinnabar.

(4) The geological target is limited to the mineralized fault which is exposed on the surface in two places totaling about 65 feet in length. Mineralization along the fault in the lower adit is exposed for a strike length of about 30 feet.

(5) Rock from prospect pits in the bottom of the gulch, approximately 100 feet below the lower adit and 2,000 feet north of the adit, shows no mineralization.

The narrow widths, short strike lengths, and sporadic mineralization indicate the size of the geological target is small and does not justify further exploration. The weighted average of eight samples representing the best mineralized area is 1.7 pounds Hg./ton. The weighted average of 12 samples taken from other areas of the property is 0.33 pounds Hg./ton. There is no evidence to indicate that a significant discovery will be made and I recommend that the application be denied.

LOCATION, ACCESSIBILITY AND LOCAL FACILITIES

The six mining claims are in Sec. 33, T. 39 N., R. 49 E., in the southern part of the Rock Creek Mining District, Elko County, Nevada.

The mine is reached from Winnemucca, Nevada by traveling 19.6 miles eastward on U. S. Highway 40, an all-weather road; north 14.2 miles on Nevada State Highway No. 18, an all-weather road; northeastward 29.8 miles on an unimproved road to the village of Midas, Nevada; eastward 6.6 miles on the graded and graveled Tuscarora Road; turn left (north) and follow an unimproved road 3.9 miles; then turn right (eastward) and travel 6.8 miles on an unimproved road to the first Rock Creek (sheep corral) crossing. From this point, the unimproved road extends 15 miles in a general northeasterly direction to the mine and is only accessible by vehicles equipped with 4-wheel drive.

Experienced mine labor, materials and supplies, and the usual mine equipment can be obtained in Winnemucca, Nevada. Mining machinery and other equipment would be operated by gasoline or Diesel powered engines. Water is hauled by tank truck from Rock Creek, approximately two miles north of the mine. Telephone service is available in Midas. Mail

addressed to Midas, Nevada is delivered by a rural route from the Post Office at Golconda, Nevada. Trucking service is available in Winnemucca and railroad service is available at the Red House Station on the Western Pacific Railway, 68.1 miles southwest of the mine.

The applicant has no mining equipment on the property and such items would have to be obtained and transported to the mine. Living quarters consist of two small buildings which would probably take care of six men. Milling facilities consist of a small two-pipe retort fired with coal.

The mine is in an isolated region and snow conditions would probably prevent operations during the winter months.

HISTORY AND PRODUCTION

The mining claims were located during 1954 by Grover C. Staggs who mined a small tonnage of high-grade ore and produced about 1,000 pounds of mercury which had a value of $3,229.01.

During 1957, the property was leased to a Mr. Montgomery and associates who extended the lower and upper adits, constructed roads, and excavated numerous trenches with

a bulldozer. This operation was not successful and after some difficulty with the owner, the lease was cancelled.

On April 28, 1958, the present lease between the owners and Bruce Dailey and Adger Lindholm was executed and, on April 29, 1958, Mr. Lindholm assigned his interest in the lease to Bruce Dailey.

Mr. Lindholm provided a rotary drilling rig and tank truck for water. Mr. Dailey has provided funds for the exploration, which consisted of four drill holes totaling approximately 977 feet.

No production has been made by Dailey and Lindholm.

PROPERTY AND OWNERSHIP

Six unpatented and unsurveyed mining claims, situated in sec. 33, T. 39 N., R. 49 E., in the Rock Creek mining district, Elko County, Nevada, are owned by Grover C. Staggs and Angelo Quilici. The claims are leased to Bruce Dailey for a period of two years, ending on April 29, 1961. Only three claim corners were found that could be identified.

The claims are recorded in the County Recorder's office, Elko County, Nevada as follows:

Claim No.	Book No.	Page No.	File No.	Date filed
1	31	355	120055	June 5, 1954
2	31	356	120056	" " "
3	33	185	122306	Oct. 25, 1954
4	33	186	122307	" " "
5	33	187	122308	" " "
6	33	188	122309	" " "

DEVELOPMENT

The claims have been developed by approximately 212 feet of adit, 17 feet of shaft, 1,500 feet of bulldozer trenching and 977 feet of drill hole.

The applicant is presently engaged in a drilling program and endeavoring to extend drill hole No. 4 to a depth of 600 feet.

GENERAL GEOLOGY

The country rock is locally called rhyolite which has been upthrust, highly leached, and altered and in which one major fault striking generally northwest-southeast and dipping 65°-75° west contains minor sporadic distribution of cinnabar mineral. Examination in the laboratory of general specimens of the rocks indicate a cryptocrystaline quartz rock

which is so highly altered that the original rock is unknown. Surface exposures near the south end of Claim No. 2 are glassy and contain no visible cinnabar.

In one area at the intersection of the 17-foot shaft and the 30-foot adit, cross-fracturing striking east-west has cut the walls of the fault. The cinnabar mineral deposition has occurred generally in fault gouge and breccia either along the walls of the fault or in the joint planes of the altered capping which strikes east-west and dips about 45° northward.

The wall rocks in the adits are leached, iron-stained, and are colored various shades of gray. The cap rock, after removal of the overburden, is moderately soft, white to light gray in color, light weight, and contains no visible cinnabar crystals.

ORE DEPOSITS

Probably not to exceed 40-50 tons of ore was mined to produce the 13 flasks of mercury reported. This ore came from a surface exposure estimated at about 30 feet

long by 2-3 feet wide, and mined to a depth of 10-12 feet, located above the drifts in the lower adit.

Five samples taken in the drifts off the lower adit and below the above mentioned surface exposure (refer to Figure 4) showed a low of less than 0.1 pounds Hg. per ton and a high of 0.7 pounds Hg. per ton.

ESTIMATED ORE RESERVES

In the area of the 17-foot shaft and the 30-foot adit, the following ore reserves are estimated:

	Tons	Pounds Hg./T
Measured	None	3.00
Indicated	500	3.00
Inferred	1,000	3.00

SAMPLING

DMEA Samples

Sample No.	Width Feet	Pounds Hg./Ton	Description
BM 2459	1.8	4.9	North wall at portal of 30-ft. adit.
2460	3.0	1.6	N. wall of 30-ft. adit, 4 ft. W. of BM2459.
2461	4.0	0.1*	N. wall of 30-ft. adit, 4 ft. W. of BM2460.
2462	2.2	0.1*	N. wall of 30-ft. adit, 5.5 ft. W. of BM2461.
2463	6.0	0.1*	S. wall of 30-ft. ", opposite BM2460 and BM2461.

SAMPLING, Cont'd.

Sample No.	Width Feet	Pounds Hg./Ton	Description
BM2464	6.0	2.5	South wall of 30-ft. adit, opposite BM2459 and BM2460.
2465	Shovel	0.1*	Sludges from operator's drill hole No. 1, depth represented: 20-130 ft.
2466	2.0	2.5	Shallow trench SW of Drill Hole No. 1 and 20 ft. above collar of drill hole.
2467	(250 ft.)	0.1*	Sample taken at 25 ft. intervals in bottom of dozer cut, about 50 ft. south of No. BM2466. Leached altered surface rock.
2468	7.0	4.7	E. wall of open cut, 40 ft. S. of Drill Hole No. 1.
2469	Shovel	1.8	From estimated one ton of ore on dump at collar of 17 ft. shaft and adjacent to Drill Hole No. 1. Reported obtained from the 30-ft. adit.
2470	2.5	0.5	Breccia and mud gouge material in N. crosscut off lower adit, and 15 ft. north of the adit.
2471	2.1	0.7	South wall of lower adit at intersection of N. and S. crosscuts.
2472	1.8	0.1*	Face of N. crosscut, lower adit. Brown, altered rock. Little mud.
2473	0.8	0.1	North wall of lower adit at intersection of south crosscut.
2474	1.0	0.1*	Mud in fissure. E. side of face of S. crosscut. Lower adit.
2475	2.7	0.1*	North wall of lower adit. Strong fissure. 35 ft. W. of BM2471.
2476	10.0	0.1*	N. wall of lower adit, 3-13 ft. E. of BM2475. Leached, iron-stained wall rock.

SAMPLING, Cont'd.

Sample No.	Width Feet	Pounds Hg./Ton	Description
BM 2477	1.0	0.1*	Lower adit. Across back of S. crosscut, at 10-ft. intervals for length of crosscut.
2478	Grab & chip	0.1*	Surface rock in dozer trench near north end of Claim No. 6.

* = Less than.

Note: Sludges from Drill Holes Nos. 2, 3, and 4 were panned and no cinnabar was observed.

GENERAL INFORMATION

The applicant is continuing drilling and hopes to explore the area between the upper and lower adits to a depth of 600 feet. He stated that he had no intention of operating the mine and that his exploration was designed to prove an ore deposit which would enable him to either sublease or sell to an operating company. He has had no experience in conducting an exploration or mining development program and has no definite plans for the drill hole locations. The decision to drill to depths of 600 feet was reached because he had been advised that drilling to that depth would expose a large deposit of cinnabar ore.

Due to the attitude of the fault walls and the shattered nature of the east-west fractures, drilling will be difficult and expensive and the sampling results from the rotary type drill will not be conclusive. Drill Holes Nos. 1, 2, and 3, 305 ft., 205 ft., and 280 ft., respectively, were abandoned prior to completion due to loss of circulating water. Drill Hole No. 4 had reached a depth of 187 feet on May 21. The circulating water was lost and the hole was cemented. After reaming, it is planned to continue to a depth of 600 feet, if possible.

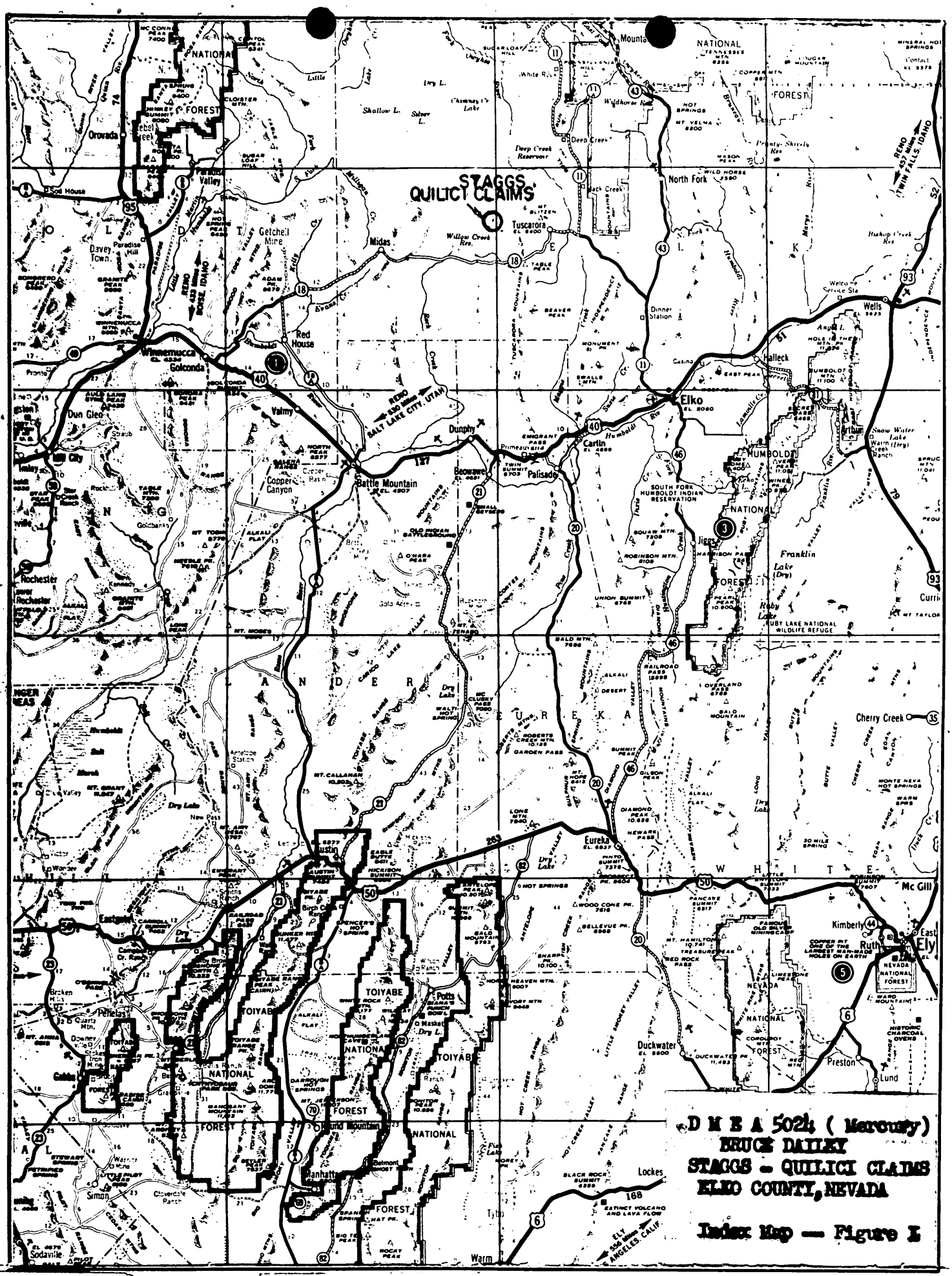
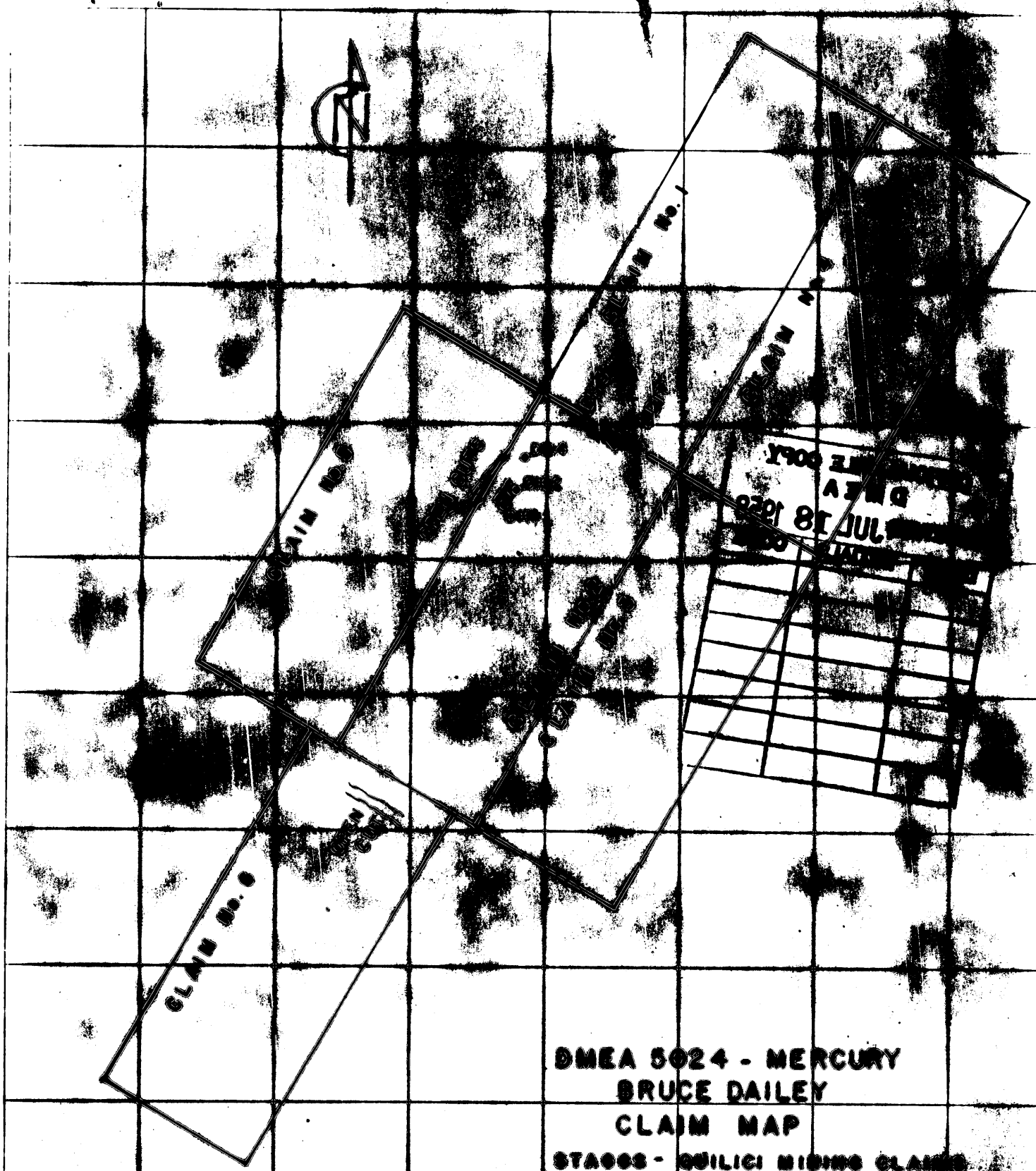
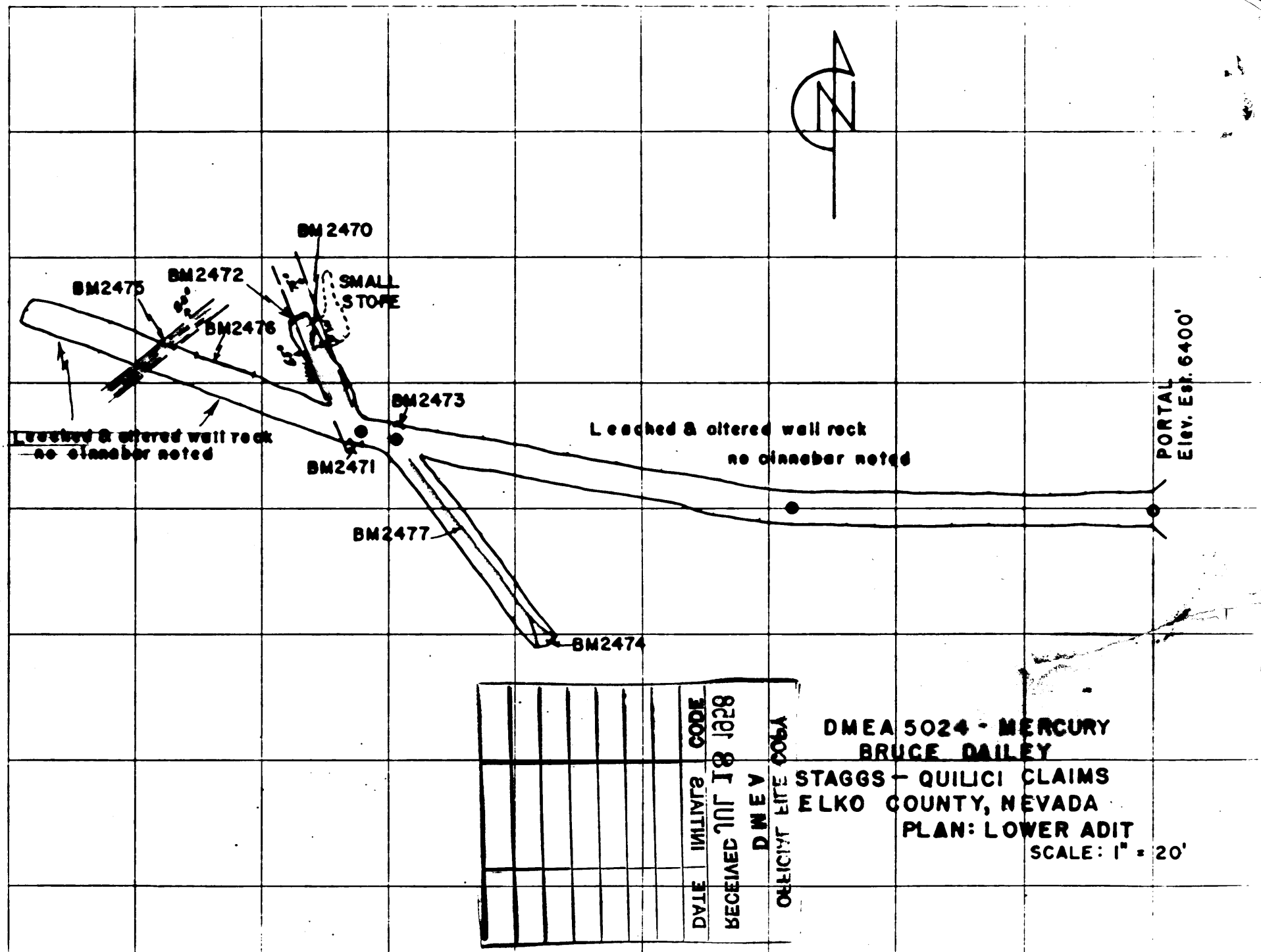


Figure 1 LOCATION MAP



DMEA 5024 - MERCURY
BRUCE DAILEY
CLAIM MAP
STAGGS - QUILICI MINING CLAIMS
ELKO COUNTY, NEVADA
SCALE: 1" = [illegible]

FIGURE 2



DMEA 5024 - MERCURY
BRUCE DAILEY
STAGGS - QUILICI CLAIMS
ELKO COUNTY, NEVADA
PLAN: LOWER ADIT
SCALE: 1" = 20'

RECEIVED JUL 18 1988
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ORIGINAL FILE COPY
DATE INITIALS CODE

FIGURE 4

DEFENSE MINERALS
EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-26	Chapman	400
5-26	Martin	400
5/26	Selfridge	130
"	Johnson	110
27	Wednesday	100
5/27	H. J.	220
5/28	HSM	400

MAY 27 1958

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 5024 - Mercury
Bruce Dailey
Staggs-Quilici Mining claims
Elko County, Nevada

Dear Mr. Ricker:

The above-docketed application for exploration assistance is being referred to your office for review and such examination as you consider necessary. As you will note from our letter to the applicant, we have not made any commitment regarding an examination.

Copies of memoranda dated May 21 and 23, 1958, by J. W. Pennington, Bureau of Mines, and N. E. Nelson, Geological Survey, respectively, relating to the project are enclosed. Also enclosed is an extra copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge
(es)
Chairman, Operating Committee

APPROVED:

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

N. E. Nelson
(es)
Member, Geological Survey

TLCHAPMAN/foc 5-26-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

Enclosures

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-26	Chapman	400
5-26	Martin	400
5/26	Selfridge	130
	Lamb	
	Nelson	
"	Johnson	110
27	Mittendorf	100
		220

MAY 27 1958

Mr. Bruce Dailey
% General Delivery
Midas, Nevada

Re: Docket No. DMEA 5024 - Mercury
Staggs-Quilici Mining claims
Elko County, Nevada

Dear Mr. Dailey:

The application for assistance in exploring the subject property under the captioned docket number has been reviewed by the Washington office of the Defense Minerals Exploration Administration, and has been referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada.

The Regional Office will notify you in case additional information concerning your application is needed. Any assistance you may give the members of the Field Team will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

TLCHAPMAN:foc
5-26-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

IN REPLY REFER TO:

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

DATE	INITIALS	CODE
5/27	H.G.	225
		400

May 23, 1958

Re: DMEA 5024
Bruce Dailey
Staggs-Quilici Claims
Elko County, Nevada
$36,010 - Mercury

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

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

Subject: Review of application.

The applicant requests assistance in exploring by ten 5-inch, 600-foot drill holes, a fault from the surface trace of which good samples are said to have been obtained and 6 small shipments made. The small shipments, amounting to about 626 pounds, are the product of a 2-tube retort furnace.

Work consisting of two adits, 30 and 175 feet long, 3 drill holes, 305, 205, and 280 feet long, and bulldozing has been done, but the results of such work are not given, so it is not known what may be expected in the 600 foot holes.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 22 1958

DATE	INITIALS	CODE
5/22	C	220
	WSM	400

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

May 21, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Assistant Chief, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5024 (Mercury), Bruce Dailey, Staggs-Quilici Mining Claims 1-8, Elko County, Nevada. $36,010.

The applicant proposes to explore for mercury mineralization by drilling approximately 10 5-inch holes totaling 6,000 feet at an estimated total cost of $36,010.

Despite a relative incomplete application and an indefinite exploration program, exploration of the property for downward extension of the shallow deposits may be warranted.

Referral of the application to the Field Team is recommended.

The application is returned herewith.

J. W. Pennington

Attachment

Copy to: Division of Minerals
Branch of Base Metals
Files
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb

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

May 20, 1958

Mr. Bruce Dailey
c/o General Delivery
Midas, Nevada

Subject: DMEA-5024

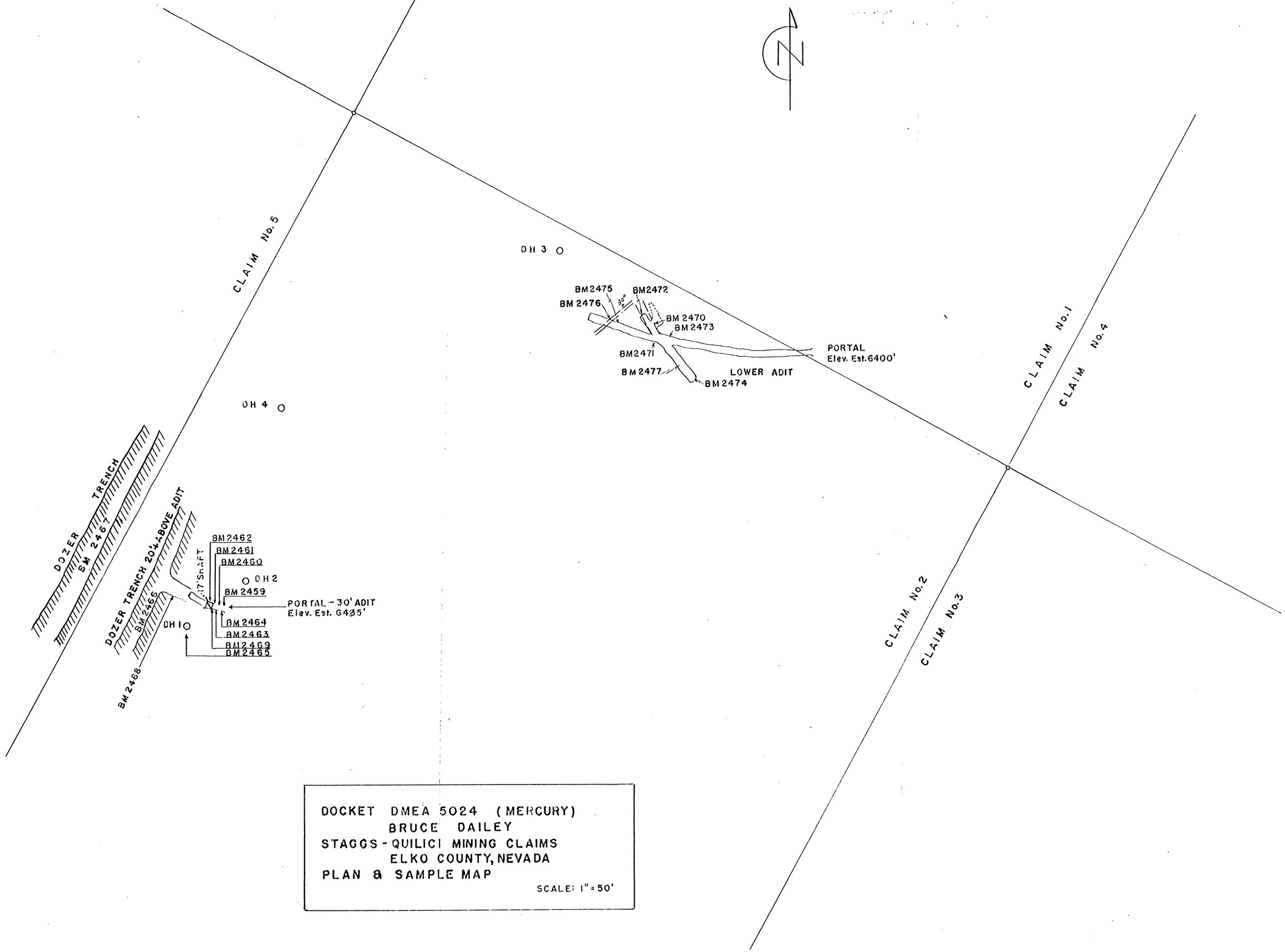
Dear Mr. Dailey:

Your application for exploration assistance, dated May 10, 1958 submitted to our office at Reno, Nevada has been assigned Docket Number DMEA-5024 and referred to the Iron and Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region II.



DOCKET DMEA 5024 (MERCURY)
BRUCE DAILEY
STAGGS - QUILICI MINING CLAIMS
ELKO COUNTY, NEVADA
PLAN & SAMPLE MAP
SCALE: 1" = 50'

FIGURE 3