DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 5028

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- [ ] Withdrawn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

- [ ] 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

17863

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

May 20, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application - Mercury
L. B. Pelham and H. E. Hanson
Red Rock Mines
Esmeralda County, Nevada

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

Please note that this property was explored under Docket No. DMEA-1640, Contract No. Idm-E 207. In order to clean up on applications as soon as possible, we shall examine the property before referral. The applicant states that considerable work has been done since the former contract was terminated.

S. Ricker

Attachments

BUREAU OF MINES
WASHINGTON, D. C.
MAY 22 9 03 AM '58

Form MF–103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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)

L. B. Pelham
Red Rock Mines
Fish Lake Valley
Via- Tonopah, Nevada.

H. E. Hanson
Red Rock Mines
Fish Lake Valley
Via- Tonopah,
Nevada.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-5028

Date Received: 5-22-58
Rec'd 5/19/58

Government Participation %:

Region: II

Division Code: 400

BUSINESS ORGANIZATION (Check one)

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

State in which firm is organized: Nevada

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
L.B. Pelham	Red Rock Mines	Partner
H.E. Hanson	Red Rock Mines	Partner

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

Estimated Cost of Project: $ 21,545.00

LOCATION OF PROPERTY

Name	County	State
Red Rock Quicksilver,	Esmeralda Co.	Nev.

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.

May 16, 1958
Dated

H E Hanson
L B Pelham
BY (Signature)

Partners
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 how 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.

* * * * *

INT.-DUP. SEC., WASH., D.C. 25960

Information Required With This Application

OFFICIAL FILE COPY
D M E A
RECEIVED 22 58

1. Applicant's Property Rights
   (a)
   Sec. 18, T.1 S., R. 34.E M D B M.

   (b) Red Rock Quicksilver Mine
   Esmeralda County, Nevada
   Former D M E A 1640 (Mercury)
   Contract No. Idn- E 207

   (c) Purchaser under lease and option
   Recorded in Goldfield, Nevada.
   Owner willing to provide subordination agreements.

   (d) None

2. Physical Description
   (a) Maps----- See Proposed Work

   (b) Leased with option to buy

   (c) See 2 A
   Settlement sheets attached for 1958 production , all 1957 records held by former pardners.

   (d) Large tonage of over burden can be concentrated to approximately one and one-half percent ore with existing jigs.

   (e) See Pages 72 through 73 in quick silvDeposits in Nevada, Sertes Number 41

   (f) All other large ore bodies on property are covered by Talc Heads. therefore we feel that a possibilityof ore body is very good. Pockets of high grade ore have been found in over burden abouve Talc Heads in virgin territory . High grade ore is showing on proposed shaft location.

3. A. L. B. Pelham (Resident at mines)
   Red Rock Mine
   Fish Lake Valley
   Via--Tonopah, Nevada.

   Directions to mines:
   10 miles west of mail box, off of highway 3A. Fish Lake Valley.
   Mail Box near highway Maintaince Station, good road to property and Mines.

   (B) Shipping and Supply Points:
   Tonopah, Nevada.
   Bishop California.
   Employees reside at Mine.

4. Exploration Project:
   (a) Proposed 40 foot Shaft 4ft. by 8ft. with 100ft. cross cut. and 200ft. Cross Cut from Main Shaft. North West.
   Proposed Trenches marked on Map as A.B.C. A.Trench 20 ft. wide and 75ft.long by 30 ft. deep.
   B. Trench 20ft wide and 75ft. long and 40ft. deep.
   C.Trench 20ft.wide and 60ft. long by 30ft. deep.

   (b) No Road Building Necessary.

4 (C) Will start work immediately .
Approximately Six Months
Trenches One Week each depending on formation encountered.
Shaft 2ft. per day------Tunnel 6ft. per day.

5. Three Years Milling and Mining Experience.

6.(A) None
(B) Miners $2.25 Per Hour.
(C) Other Lists On Attached Sheets.
(D) D-8 and Ripper rented at $16.00 Per Hour
Compressor Rented at $200;00 Per Month.
White Dump Truck "provided by Applicant ; $650.00 Market Price.
Cat Loader, $1250.00 Market Price.
D-4 Dozer Rental Bases , $216.00 Per Month.

7 (A) Yes.
(B) By use of Equippment owned by us, by Labor and Supervision

40 Foot Shaft

	Cost Per Foot
Timbers	$7.50
Hanging Rods	1.50
Powder, Fuses & Caps	2.50
Wages for Crew	40.00
Insurance Compensation & P.L.& B.D.	6.00
Social Security & Unemployment Insurance	2.00
Gas, Oil,& Repairs on Compressor & Hoist	4.00
Gas, Oil & Repairs on Water Truck	1.50
Rent on Compressor	5.00
Total Cost Per Foot Drift	$70.00

Total Cost Per 40 Foot Shaft $2,800.00

TRENCH A	Hours	Rate Per Hour
D-8 Cat & Ripper & Dozer	40	$16.00
Total		$640.00

TRENCH B	Hours	Rate Per Hour
D-8 Cat & Ripper & Dozer	48	$16.00
Total		$768.00

TRENCH C	Hours	Rate Per Hour
D-8 Cat & Ripper & Dozer	40	$16.00
Transportation of D-8 Cat & Ripper		300.00
Total		$940.00

Total For Trenching $2,348.00

1--200 Foot Drift & 1-100 Foot Drift

	Cost Per Foot
For Lumber & Timber	$3.50
Powder, Fuses & Caps	1.50
Wages	30.00
Carbide, bits & Steel	.60
Compensation Ins. Social Security & Unemployment Ins.	1.40
Gas, Oil & Repairs on Compressor Hoist & Trucks	10.00
Rent on Compressor	3.00
Vent Tubes For Ventilation	1.00
White Truck For Hauling Water	3.00
Water and Air Lines	.65
Total Per Foot Of Drift	$54.65

Total Cost For 1-200ft.Drift & 1-100ft. Drift--
$16,395.00

QUICKSILVER PRODUCTS! INC.
407 SANSOME STREET
SAN FRANCISCO, 11, CALIFORNIA.

RED ROCK PAN MINE
FISH LAKE VALLEY
NEVADA.

DATE_----------FEBRUARY 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 22 1958
DATE

GROSS	TARE	NET
232 ½ #	22 ½#	210 ½#

210 ½# PRIME VIRGIN @ $212.30 — $586.60
LESS FLASKS — 3.50
$583.10

MARCH 3, 1958

GROSS	TARE	NET
148 ½#	14½#	134 #

134 # PRIME VIRGIN @ $2.86 — $383.24
LESS FLASKS — 3.50
$379.74

APRIL 10, 1958

GROSS	TARE	NET
416 ½#	37 #	379 ½#

379 ½# PRIME VIRGIN @ $2.92 — $1,107.41
LESS FLASKS — 5.25
$1,102.16

MAY 9, 1958

4X 76 # FLASKS PRIME VIRGIN @ $220.00 — $880.00
1X 46 ½ # FLASK PRIME VIRGIN @ $2.894 — $135.29
$1,015.29
Less Flasks---------- 8.75
$1,006.54

Exhibit "A"

MINING LEASE AND OPTION

THIS LEASE AND OPTION, made and entered into this 24th day of May, 1957, by and between WALTER F. DUNNIGAN and ROBERTA S. DUNNIGAN, of Esmeralda County, Nevada, hereinafter referred to as the LESSORS, and EMORY HOWARD BELT, of 1105 West Roseburg, Modesto, California, ROY PUCCETTI, of 521 Foy Street, Modesto, California, KENNETH LLOYD HILL, of 426 Sycamore, Modesto, California, GEORGE M. SCOTT, of 427 Anslin, Modesto, California, and LEWIS B. PELHAM, of Route 5, Box 640B, Modesto, California, _____, hereinafter referred to as the LESSEES,

W I T N E S S E T H:

THAT THE LESSORS, for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved and set forth, and by the Lessees to be kept and performed, have leased, let and demised unto the said Lessees for the purpose of mining, all that certain piece or parcel of mining ground, together with the improvements, buildings and other appurtenances situated, lying and being in the County of Esmeralda, State of Nevada, to-wit:

The RED ROCK, RED ROCK #1, RED ROCK #2, RED ROCK #3, BLUE ROCK #1 and BLUE ROCK #2, and RED ROCK EXTENSION mining claims, situate in the Oneota Mining District, County of Esmeralda, State of Nevada; TOGETHER with one mill building, 5 cabins, one pipe line, and other permanent improvements and fixtures, and together with any and all water rights, if any, appurtenant thereto;

TOGETHER with machinery, equipment, and other personal property described as follows:

1 - 30 ton Gould furnace complete with condensing system
1 Recording Pyrometer
1 - 60 cu. ft. compressor with complete oil burner equipment
1 Ford Stationary engine
1 - 4 Cyl. Kohler Light Plant
2 D. Retorts

1 - 3000 Gal. Oil Tank
1 12x24 Jaw Crusher
1 Stationary Ford Engine
2 Ore Bins
8 Ore Cars
2 - 1,000 Lb. Ore Buckers
1500 ft. Track (Approx.) in Place
1 Portable Head Frame
1 - 300 Lb. Ore Bucket
1 - 118 Cu. Ft. Gardner-Denver Compressor, Driven By Ford Motor, mounted on Moreland Truck
1 Ingersoll-Rand 45 Jackhammer and Misc. Steel
1 Jig and shaker screen
1 - 1 H.P. Electric Motor
1 - 1/2 H.P. Electric Motor
1 - 2" Centrifugal Briggs & Stratton Pump
1 - 1,000 Gal. Water Tank
1 - 6,000 Gal. Water Tank

TO HAVE AND TO HOLD the said demised premises unto the said Lessees for the purposes of mining beginning May 24th, 1957, and ending on the 23rd day of May, 1977, at midnight.

IN CONSIDERATION THEREOF, the said Lessees do hereby covenant and agree with the said Lessors as follows, to-wit:

1. To enter upon said leased premises forthwith, and commencing June 1st, 1957, to begin working on said premises and to work the same in proper, skillful and minerlike fashion, and in manner necessary to good and economical mining so as to take out the greatest amount of ore possible with due regard to the safety, preservation and development of said premises as a workable mine.

The Lessees shall well and sufficiently timber the mine at all points where proper, in accordance with good mining custom and procedure. The Lessees shall, at all times, keep the drifts, tunnels and other workings thoroughly drained and clear of waste, rock and rubbish.

The Lessees shall occupy and hold all cross and parallel lodes, spurs or mineral deposits of any kind which may be discovered by the Lessees or any person under them in any manner, by working within or from the leased premises as the property of the Lessors with privilege to Lessees of working the same as a parcel of the leased premises, and subject to all of the terms and conditions herein contained.

Exhibit "A"

2. To immediately post and keep posted on the property due and proper notices relieving Lessors from any and all liability or responsibility for work done on said premises or from any injuries to persons or damage to property occurring or committed on said premises.

3. To promptly pay all wages for work done and to comply with all laws, federal, state and local, pertaining to mining and mining operations, including the carrying and maintaining of Industrial Accident Insurance on employees.

4. To permit Lessors, their agents or representatives, to have access to said demised premises at any reasonable time for the purpose of inspecting the same.

5. To pay to the Lessors royalties on the gross sales of products on each and every ton of ore, mineral or other product taken, milled or extracted from said property as follows:

> TEN PERCENT (10%) of all ore values taken by Lessees from said mine or premises during the term of this lease, HOWEVER, commencing August 10, 1957, LESSEES shall pay the royalty herein provided, or the sum of $600.00 per month, whichever is the greater, with the royalty to be applied on the minimum monthly guaranteed payment next due and not on a retroactive basis.

In addition to the above royalty, Lessees covenant to pay to Lessors the sum of ONE DOLLAR ($1.00) for each and every ton of custom ore milled through the milling equipment situated on the above described premises.

It is understood and agreed that all mercury produced shall be sold at the highest possible commercial market with the returns to be made payable to the FIRST NATIONAL BANK OF NEVADA, TONOPAH BRANCH, TONOPAH, NEVADA, which said Bank shall be authorized to deduct the royalty hereinabove specified, or the minimum monthly guaranteed payment of $600.00, whichever is applicable, and remit the respective amounts to the parties hereto, or deposit the same to the accounts of the parties hereto in accordance with any instructions given to said Bank in connection therewith.

6. To promptly pay all costs of operation and maintenance of said premises, including taxes of any kind whatsoever after May 24th, 1957, assessed thereon, it being represented by Lessors that all taxes and other costs to date have been paid by Lessors, and at all times to keep said property free and clear of any and all liens or encumbrances of any nature or kind whatsoever.

7. At the termination of this lease by lapse of time, forfeiture, or otherwise, to deliver up to said Lessors the said premises in as good condition as when received, allowing for the mining and development thereon by the Lessees. In the event of the forfeiture or termination of this agreement as hereinafter set forth, it is understood and agreed that all improvements, including rail in place, made in or about said property by the Lessees and affixed to the realty and constituting a part thereof, shall, together with operational maps, assays and reports, remain the property of the Lessors, but all property of a personal nature, including machinery, tools or equipment, subject to removal without damage to the realty or improvements, may be removed therefrom by the Lessees within sixty (60) days from the date of the said forfeiture or cancellation of this agreement, failing which, the same shall revert to the Lessors. It is understood and agreed that the foregoing provision shall apply to any water applications, rights or privileges acquired by the Lessees on the property, or used in connection therewith, that is to say, that the same shall also revert to the Lessors in the event of the forfeiture, termination or cancellation of this agreement, and the Lessees agree to forthwith convey the same.

It is further understood and agreed that no machinery, building or equipment owned by Lessors and presently situated on the premises shall be removed by the Lessees until the same shall have been paid for in full as hereinafter specified.

8. To do and perform any necessary annual assessment work

that may be required on the property during the life of this Lease and Option, the same to be performed and a timely notice of the completion of the same recorded prior to June 1, 1958, and each year thereafter. It is acknowledged by the Lessors that the assessment work required during the 1956-1957 assessment year has been completed and the Proof of such Labor recorded.

9. Time is of the essence of this agreement and in the event that Lessees shall fail to make any payment or payments as herein provided or shall fail to perform each and every covenant, term and condition as herein provided, the Lessors may, after ten (10) days' notice in writing given to Lessees within which to cure said default or violation, and provided said default or violation has not been cured during said ten-day period, declare said Lease forfeited, cancelled and terminated, and enter and repossess all of the property herein demised, with or without process of law, and in such event, all payments made hereunder may be retained by the Lessors as liquidated damages.

IN CONSIDERATION OF THE FOREGOING PREMISES, and the payment of ONE DOLLAR ($1.00), paid by the Lessees to the Lessors, the receipt whereof is hereby acknowledged, the said Lessors do hereby give and grant to the Lessees the exclusive right and option to purchase from said Lessors the whole of those certain mining claims, premises, appurtenances, and the machinery, equipment and personal property as in the foregoing lease set forth, for the full purchase price of ONE HUNDRED FIFTY THOUSAND DOLLARS ($150,000.00), payable to the Lessors through the Tonopah Branch, First National Bank of Nevada, Tonopah, Nevada, in cash or the equivalent thereof, on or before the termination of the within and foregoing Lease Agreement or any extension thereof, according to the following schedule:

> $6,000.00 on the date of execution of this agreement, paid directly to the Lessors, the receipt whereof by the Lessors is hereby acknowledged;

A further and additional payment of $2,000.00, inclusive of the $600.00 minimum monthly guaranteed payment, on or before the 10th day of November, 1957;

A further and additional payment of $2,000.00, inclusive of the $600.00 minimum monthly guaranteed payment, on or before the 10th day of January, 1958;

Balance payable out of the royalties and minimum guaranteed monthly payments hereinabove reserved.

Upon the execution of this agreement the Lessors covenant to execute and deposit with the Tonopah Branch, First National Bank of Nevada, Tonopah, Nevada, as escrow, the following instruments, to be delivered to the Lessors by said escrow, as instructed, upon performance as follows:

1. Deed, executed by Lessors in favor of Lessees, covering all of the claims hereinabove in this Lease described excepting the RED ROCK EXTENSION, but including buildings, water rights, if any, and water line, to be delivered by said escrow to Lessees upon receipt by Lessors of the total sum of $150,000.00.

2. Deed, executed by Lessors in favor of Lessees, covering the RED ROCK EXTENSION claim, to be delivered to the Lessees when the Lessors have received a total sum of $25,000.00.

3. Bill of Sale, executed by Lessors in favor of Lessees, covering the machinery, mining and milling equipment, and other personal property described above, to be delivered to the Lessees when the Lessors have received a total of $75,000.00.

It is acknowledged by the parties hereto that this agreement shall in no way or manner be construed so as to include the sale or right to possession to the Lessees of Lessors' furniture, tools, equipment, bulldozer, or any other personal property not specifically described hereinabove.

In the event that the Lessees shall exercise the option to purchase said property, it is understood and agreed that any and all royalties from production, milling, or guaranteed minimum monthly payments, which may be paid by the Lessees to the Lessors as in this Lease provided, or any extension or extensions thereof, shall apply upon the purchase price in the Option to purchase set forth, and be credited thereon.

Any and all payments made to the Lessors by the Lessees, either under the Lease or the Option to purchase contained herein, shall immediately become the property of the Lessors. And in the event that this Lease is terminated or forfeited, all payments or royalties made prior to said forfeiture and termination shall be retained by the Lessors as reasonable rental of the property.

The Lessors hereby represent that title to each and all of the premises and properties hereinabove referred to is good and merchantable, subject only to the paramount interest of the United States, and free from all encumbrances or liens by them suffered or committed. With regard to the water rights, it is acknowledged by the parties hereto that the Lessees have made application to appropriate water from the waters of Middle Creek and Dry Creek, near the above-described properties, that such application has been protested by other parties, but that if and when such application is granted, the certificate of appropriation thus obtained will be included and become a part of this agreement without additional consideration or compensation. Such rights, easements or prescriptive rights as may have been acquired by the Lessors or their predecessors on said waters are specifically included within this agreement.

All written notices provided for in the foregoing Lease and Option agreement to be served upon the respective parties shall be sent by registered mail, through a United States Post Office, postage prepaid, and addressed to the said parties at their respective addresses, and the date of mailing shall constitute the date of delivery, the addresses of the parties being as hereinbefore set forth in this Lease Agreement, unless and until the respective parties give written notice of the change of addresses.

It is expressly understood and agreed that the within and

foregoing lease hereby granted and the Option to purchase herein contained shall be construed as a single instrument, and the failure of the Lessees to perform the terms of the Lease agreement or the Option agreement as herein set forth shall immediately cancel both the Lease agreement and the Option to purchase as hereinbefore set forth, and the same thereupon shall be of no further force or effect, all payments having been made under this agreement remaining the property of the Lessors as liquidated damages. Notice of default of the terms or conditions of the option shall be given in the same manner as set forth and provided for in the Lease agreement.

The Lessees may transfer this Lease or sublet, sell or transfer the whole or any part of the leased premises without the consent of the Lessors, provided, however, that the said Lessees shall give notice of such assignment or sale within ten (10) days after the execution of said assignment or sale.

Time is of the essence of each and every term, covenant and condition of the foregoing Lease and Option to purchase agreement, and the same shall be binding upon all of the heirs, executors, administrators, successors and assigns of all the parties hereto and shall not be altered or amended in any respect except only by an instrument in writing signed by the respective parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

WALTER F. DUNNIGAN
WALTER F. DUNNIGAN

ROBERTA S. DUNNIGAN
ROBERTA S. DUNNIGAN

LESSORS.

EMORY H. BELT

LEWIS B. PELHAM

ROY PUCCETTI

GEORGE M. SCOTT

KENNETH L. HILL

LESSEES.

STATE OF NEVADA)
) SS.
COUNTY OF N Y E)

On this 24th day of May, 1957, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared WALTER F. DUNNIGAN and ROBERTA S. DUNNIGAN, known to me to be the persons named in and who executed the within and foregoing instrument and they acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office on the day and year in this Certificate first above written.

WILLIAM P. BEKO (SEAL)
Notary Public, Nye County, Nevada.
My Commission Expires Dec. 12, 1960.

STATE OF NEVADA)
) SS.
COUNTY OF NYE)

On this 5th day of June, 1957, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared _____

_____

_____,

known to me to be the persons named in and who executed the within and foregoing instrument and they acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office on the day and year in this Certificate first above written.

WILLIAM P. BEKO (SEAL)
Notary Public.
My Commission Expires Dec. 12, 1960.

Exhibit "B" ASSIGNMENT OF MINING LEASE AND OPTION

THIS ASSIGNMENT, made and executed on the 6th day of December, 1957, by and between EMORY HOWARD BELT of 1105 West Roseburg, Modesto, California, ROY PUCCETTI, of 521 Foy Street, Modesto, California, KENNETH LLOYD HILL, of 426 Sycamore, Modesto, California, GEORGE M. SCOTT, of 427 Anslin, Modesto, California, and LEWIS B. PELHAM, of Route 5, Box 640B, Modesto, California, hereinafter referred to as the Parties of the First Part, and LEWIS B. PELHAM, of Route 5, Box 640B, Modesto, California, and H. E. HANSON, of Fish Lake Valley, via Tonopah, Nevada, hereinafter referred to as the Parties of the Second Part,

W I T N E S S E T H:

1. That the Parties of the First Part, for the consideration hereinafter stated, do hereby assign to the Parties of the Second Part, all of their right, title and interest in and to that certain mining Lease and Option agreement made and executed on the 24th day of May, 1957, between WALTER F. DUNNIGAN and ROBERTA S. DUNNIGAN, as Lessors, and the Parties of the First Part herein as Lessees, relating to that certain parcel of mining property situated in the County of Esmeralda, State of Nevada, to-wit:

> The RED ROCK, RED ROCK #1, RED ROCK #2, RED ROCK #3, BLUE ROCK #1 and BLUE ROCK #2, and RED ROCK EXTENSION mining claims, situate in the Oneota Mining District, County of Esmeralda, State of Nevada; together with one mill building, 5 cabins, one pipe line, and other permanent improvements and fixtures, and any and all water rights, if any, appurtenant thereto; together with all machinery, equipment and other personal property described in said Mining Lease and Option.

2. In consideration therefor, the Parties of the Second Part do hereby promise and agree to pay to the Parties of the First Part the following stipulated amounts:

> FOUR THOUSAND DOLLARS ($4,000.00) payable on the date of the execution of this Assignment;

The further and additional sum of ONE THOUSAND DOLLARS ($1,000.00) on or before the 15th day of January, 1958;

The balance of THREE THOUSAND SIX HUNDRED NINE DOLLARS ($3,609.00) due and payable from TWENTY-FOUR PERCENT (24%) of the gross proceeds from any sales of ores, minerals, materials or other products removed from said premises commencing with production after June 10th, 1958, together with interest thereon at the rate of SEVEN PERCENT (7%) per annum, with any balance remaining one year after execution of this agreement to be paid in full in cash, together with interest thereon.

In addition to the consideration hereinabove set forth the Parties of the Second Part do hereby promise and agree to pay over to Escrow No. 418, Tonopah Branch, First National Bank of Nevada, any proceeds over a monthly gross income from the property of ONE THOUSAND EIGHT HUNDRED DOLLARS ($1,800.00) to apply on the payments due under said Mining Lease and Option on June 10th, 1958, except during any months wherein the Parties of the Second Part suffer a major breakdown in any essential operating equipment, the same to be agreed upon by the Parties of the First Part.

3. The certain Mining Lease and Option agreement hereinabove referred to, together with any and all addendums thereto, and all the terms, conditions and covenants thereof, are hereby incorporated by reference herein and shall be performed in every respect by the Parties of the Second Part.

4. The Mining Lease and Option herein assigned, or any interest created by this assignment, shall not be leased nor assigned in whole or in part by the Parties of the Second Part without first obtaining the unanimous written consent and approval of the Parties of the First Part.

5. The parties hereto hereby acknowledge that there is a SIX HUNDRED DOLLAR ($600.00) monthly payment due on said Escrow No. 418, Tonopah Branch, First National Bank of Nevada, on December 10th, 1957, and the Parties of the First Part do hereby covenant to make said payment, and shall further be responsible for any bills or other operating expenses incurred on said premises

prior to the date of this Assignment.

6. The Parties of the Second Part shall post and record proper notices of Non-responsibility on the premises, holding the parties of the first part free and harmless for any damages or injuries suffered or incurred upon said premises, and to indemnify the Parties of the First Part for any losses suffered thereby.

7. The Parties of the First Part hereby specifically reserve unto themselves and exempt from the operation of this Assignment two of the cabins presently situated on the premises for the purpose of storing equipment and personal property of the said parties of the first part, until such time as all of the consideration set forth in this Assignment hereinabove has been received by the said parties of the first part.

8. It is further acknowledged that this Assignment shall include within its operation the transfer of ownership to a 42 x 42 Pan American Concentrating Jig, not included in the original Mining Lease and Option but added to the equipment on the property by the parties of the First Part, and upon the receipt by the Parties of the First Part of the total consideration stated herein, the parties of the First Part shall furnish and deliver to the parties of the second part a bill of sale transferring ownership to said Concentrating Jib.

9. It is further acknowledged that the interests of the Parties of the Second Part in this Assignment shall be ONE-FIFTH (1/5) to LEWIS B. PELHAM, and FOUR FIFTHS (4/5) to H. E. HANSON.

Time is of the essence of this agreement and the same shall be binding upon all the heirs, executors, administrators, successors and assigns of all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

EMORY H. BELT
EMORY HOWARD BELT

ROY PUCCETTI
ROY PUCCETTI

KENNETH L. HILL
KENNETH LLOYD HILL

GEORGE M. SCOTT
GEORGE M. SCOTT

LEWIS B. PELHAM
LEWIS B. PELHAM

PARTIES OF THE FIRST PART.

LEWIS B. PELHAM
LEWIS B. PELHAM

H. E. HANSON
H. E. HANSON

PARTIES OF THE SECOND PART.

STATE OF NEVADA)
) SS.
COUNTY OF NYE)

ON THIS 6th day of December, 1957, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared EMORY HOWARD BELT, ROY PUCCETTI, KENNETH LLOYD HILL, GEORGE M. SCOTT, LEWIS B. PELHAM and H. E. HANSON, known to me to be the persons named in and who executed the within and foregoing instrument, and they acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office on the day and year in this Certificate first above written.

WILLIAM P. BEKO (SEAL)
Notary Public, Nye County, Nevada.
My Commission Expires Dec. 12, 1960.

U. S. Government Messenger Envelope

Standard Form No. 63 (Rev. 1/46)

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

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
[illegible]	RUN STOP		RUN STOP
[illegible]	RUN STOP		RUN STOP
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Defense Generals Mittendorf	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
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	RUN STOP		RUN STOP
	RUN STOP		RUN STOP

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(12-56)

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Date	Surname	Code
6/25	Chapman	400
6/25	Martin	400
		110
		100

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 $21,543.00
Docket No. DMEA 5028, Mercury
L. B. Pelham and H. E. Hanson
Red Rock Quicksilver mine
Esmeralda County, Nevada

A denial of the subject application for exploration assistance is recommended by this Division based on the following information:

This property was the subject of Contract No. Idm-E207, (Docket No. DMEA-1640) dated November 9, 1951 and Amended Contract dated November 12, 1952. The work was completed at a cost of $7,458.68, Government participation at 75 percent, $5,594.01. No discovery of any significance was made and no certification of discovery or development was issued.

The above noted property was the subject of a request for exploration assistance, dated May 16, 1958, at an estimated cost of $21,543.00 for trenching, drifting and shaft sinking.

The property was examined on May 21, 1958, by B. H. Sheahan, Bureau of Mines, and H. K. Stager, Geological Survey. The examining team found that no new exploration work had been done; except for some selective mining of ore the property was practically in the same condition as at the completion of the former contract; and, as the Final Report on the former contract had advised that no further work was warranted, recommended denial of the application.

Applicant: L. P. Pelham and H. E. Hanson
Red Rock Mines
Fish Lake Valley
Via-Tonopah, Nevada

Property Ownership: The Red Rock Quicksilver mine is owned by Walter F. Dunnigan and Roberta S. Dunnigan, of Esmeralda County,

Nevada. The property consists of 7 unpatented lode mining claims as follows:

Claim Name:	Book No.		Page No.	
Red Rock	1-C	1-C	263	132
Red Rock No. 1	1-B		263	
Red Rock No. 2	1-A		291	
Red Rock No. 2 Amended Location	1-C		133	
Red Rock No. 3	1-A		291	
Red Rock No. 3 Amended Location	1-C		134	
Blue Rock No. 1				
Blue Rock No. 2				
Red Rock Extension.				

The property is located in the Oneota Mining District, Section 18, T. 1 S., R. 34 E., M.D.B. & M, Esmeralda County, Nevada.

By a lease dated May 24, 1957, the owners leased the property to Emory Howard Belt, Roy Puccetti, Kenneth Lloyd Hill, George M. Scott and Lewis B. Pelham. On December 6, 1957, the above lease was assigned to Lewis B. Pelham and H. E. Hanson.

Geology: Phyllite and marble are the country rocks of this area. Mineralization is found along a fault zone at its intersection with three gouge zones. The phyllite and marble form a pendant in a granite batholith.

Past History & Production: From 1928 to 1954, the property had produced 1,854 flasks of mercury. About 60 flasks have been produced since 1954.

Ore Values and Tonnage: The property has been selectively mined since the completion of the former contract and there are no ore reserves. Two samples taken by the examining team show 0.01 percent mercury.

Comments and Recommendations: The examining team advises that no exploration work has been done since completion of prior Contract and Amended Contract and there is no new target, so they recommend denial of the application. The Field Team concurs in this recommendation.

The Commodity Divisions of the Geological Survey, and the Bureau of Mines, concur in the above noted recommendation.

W S Martin

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

TLCHAPMAN/dl
6-25-58

cc to: Code400
Admr. R. File
Operating Comm.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	Chapman	400
	Martin	400
6/27	Pelham	130
6/27	Lamb	130
6/27	Kiilsgaard	130
"	Hanson	110
"	Mittendorf	100
		220

Messrs. L. B. Pelham and
H. E. Hanson
Red Rock Mines
Fish Lake Valley
Via-Tonopah, Nevada

JUN 27 1958

Re: Docket No. DMEA-5028, Mercury
Red Rock Quicksilver Mine
Esmeralda County, Nevada

Gentlemen:

Your application for aid for an exploration project and other data available to us in Washington concerning the above-referenced property have been reviewed.

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

Careful study of all our data indicates that, although mercury mineralization occurs on the property, the probability of disclosing significant reserves is not sufficiently promising to justify Government participation. We regret to advise you, under the circumstances, that your application is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Administration program and for bringing this property to our attention, at this time.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

TLCHAPMAN/dl 6-25-58
cc to: Code 400
Admr. R. File
Oper. Comm.
Field Team, Region II
Messrs: J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958

DATE	INITIALS	COPY
6/13	H.G.	225
	WSM	400

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

June 13, 1958

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team examination report, Docket No. DMEA 5028 (mercury), L. B. Pelham and H. E. Hanson (partnership) Red Rock Quicksilver Mine, Esmeralda County, Nevada. $21,543.00.

The applicant proposed to explore for mercury on the Red Rock and Red Rock No. 1 claims by both underground and surface methods at an estimated total cost of $21,543.00.

Examination of the property revealed that no significant exploration target was proposed by the applicant. Also, samples of material now being mined contained only about 0.1 pounds of mercury per ton.

In the final report on a previous project to explore the property, (Docket No. DMEA-1640-X) it was concluded that further work on the property was not justified. No additional work has been done since the previous exploration program to alter that conclusion.

I concur with the recommendation of the Field Team that the application for exploration aid be denied.

J. W. Pennington

J. W. Pennington

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

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

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IN REPLY REFER TO:
DMEA
RECEIVED JUN 13 1958

6/13	N.G.	225
	WJM	400

Memorandum

June 12, 1958

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

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

Subject: Review of memorandum report, DMEA 5028 (mercury), Pelham & Hanson, Red Rock mine, Esmeralda County, Nevada

Field personnel point out, in a memorandum report, that the applicant's property was explored under the terms of DMEA contract Idm-E207, docket 1640.

There is no definite exploration target proposed by the applicant. His proposals include work in areas already explored by previous work and development of marginal ore.

In the final report covering the previous contract, it was concluded that further work on the property was not justified. Since then, no work has been done to alter that conclusion. I agree with the Field Team that the application should be denied.

W. P. Williams

W. P. Williams

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-5	Chapman	400
6-5	Martin	400
6/6	[illegible]	130
"	Johnson	110
"	Matthews	100
6/9	C	220
		400

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

Re: Docket No. DMEA 5028 - Mercury
L. B. Pelham and H. E. Hanson
Red Rock Quicksilver Mine
Esmeralda County, Nevada

Dear Mr. Ricker:

Reference is made to your memorandum of May 20, 1958, in which you advised that an examination of the subject property would be made before referral. We will, therefore, hold this application in abeyance until the report and recommendations of the Field Team are received.

Enclosed are copies of memoranda, dated May 26, 1958, by N. E. Nelson, Geological Survey, and J. W. Pennington, Bureau of Mines, relating to the project. Also enclosed is an extra copy of the application for the use of the Field Team.

Enclosure

Sincerely yours,

George C. Selfridge

APPROVED:

Chairman, Operating Committee (HB)

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

Thor H. Kiilsgaard
Member, Geological Survey (HB)

TLCHAPMAN/dlm 6-5-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-5	Chapman	400
6-5	Martin	400
6/6	[illegible]	130
6/6	[illegible]	130
6/6	Kiilsgaard	130
"	Hanson	110
"	Mittendorf	100
		~~40~~ 220

JUN 6 1958

Messrs. L. B. Pelham
and H. E. Hanson
Red Rock Mines
Fish Lake Valley
Via-Tonopah, Nevada

Re: Docket No. DMEA 5028 - Mercury
Red Rock Quicksilver Mine
Esmeralda County, Nevada

Gentlemen:

The application for assistance in exploring the subject property for mercury ores 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 (for)

Administrator

TLCHAPMAN/dlm 6-5-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

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

June 5, 1958

6/10 C 220
6/12 2-13 130
6/13 C 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-5028 (Mercury)
L. B. Pelham and H. E. Hanson, partnership
Red Rock Quicksilver Mine
Esmeralda County, Nevada

Enclosed are three copies of a memorandum report by H. K. Stager, Geological Survey, and B. H. Sheahan, Bureau of Mines, on subject property.

Roscoe Smith and I concur in the recommendation that the application for exploration aid be denied. You will note in the final report dated March 9, 1954, Docket No. DMEA-1640X, by B. H. Sheahan and Earl H. Pampeyan, that it was concluded further work on the property was not justified. Since that date, there has been no additional work done that would alter that conclusion.

S. Ricker

Attachments

Reviewed by
DMEA OPERATING COMMITTEE
6-12-58
(date)

U.S.N.R.L.C.
JUN 9 10 46 AM '50

IN REPLY REFER TO:
DMEA
9
4/12 HB 130
220

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Mineral Deposits Branch
4 HOMEWOOD PLACE
MENLO PARK, CALIFORNIA

June 3, 1958

Memorandum

To: S. Ricker, Executive Officer, DMEA Field Team, Region II

From: B. H. Sheahan, U. S. Bureau of Mines
H. K. Stager, U. S. Geological Survey

Reviewed by DMEA OPERATING COMMITTEE
6-12-58
(date)

Subject: DMEA - 5028 (Mercury)
L. B. Pelham and H. E. Hanson, partners
Red Rock quicksilver mine
Esmeralda County, Nevada

ON SITE EXAM.

L. B. Pelham and H. E. Hanson, lessee, Red Rock quicksilver mine, Fish Lake Valley, Esmeralda County, Nevada, applied to the Defense Minerals Exploration Administration, on May 16, 1958, for Government assistance in a $21,543.00 program to explore for mercury on the Red Rock and Red Rock No. 1 claims.

Inasmuch as DMEA personnel were in the area on other business the mine was examined on May 21, 1958 by B. H. Sheahan, U. S. Bureau of Mines, and H. K. Stager, U.S. Geological Survey, previous to a field referral by the Operating Committee. The sites of recent mining operations were inspected and two samples were taken of the material being mined. These samples assayed about

0.1 pound of mercury per ton.

There is no significant exploration target proposed by the applicant. His proposal consists of surface trenching in the area previously explored, 200 feet of crosscutting from the 40-foot level of the main shaft to develop marginal ore near old stopes, and further development at the No. 1 deep trench on the Red Rock claim.

The property was explored by W. F. Dunnigan, owner, in cooperation with the Government under contract Idm-E207, docket DMEA-1640 (Mercury) between December 5, 1951 and November 10, 1953. Results of the exploration are described in a final report, dated March 9, 1954, by B. H. Sheahan, U.S. Bureau of Mines, and Earl H. Pampeyan, U.S. Geological Survey. Production of about 60 flasks of mercury has been made from the property since 1954. Ore is selectively mined from the edges of the old stopes and submarginal ore is up-graded in a concentration plant. A few tons of high-grade ore has been selectively mined from a 15-foot adit cut from the No. 1 deep trench in the Block 1 area of the Red Rock claim. No further exploration work has been done since termination of contract Idm-E207.

The owner states that a property payment is due June 10, 1958, and that he will not sign a Consent to Lien unless that payment is made. The applicant was not at the property when it was examined, but Mr. O. D. Whitman, a miner, stated that Pelham and Hanson are planning to relinquish their lease.

It is recommended that the application be denied.

OFFICIAL FILE COPY
DME
RECEIVED MAY 27 1958

DATE	INITIAL	CODE
5/27	H.G.	226
	WSM	400

IN REPLY REFER TO:

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

May 26, 1958

Re: DMEA 5028
L. B. Pelham and H. E. Hanson
Red Rock Mines
Esmeralda County, Nevada
$21,543.00 - Mercury

Memorandum

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

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

Subject: Review of application

The applicants request assistance in exploring by trenching, shaft sinking, and crosscutting, an area underlain apparently with low grade mercury-bearing overburden and, possibly, weathered near surface rock.

Production from such material containing pockets or pods of ore, during 1958 amounts to 1073 pounds of mercury, valued at $3,071.54.

The property was explored in 1951-52 and '53 under contract Idm-E207 DMEA 1640. Expenditures amounted to $7,458.68. Approximately 2 miles of shallow surface trenching was done by bulldozer in Stage I work. Stage II work consisted of 5 deep surface trenches. Only three or four wheelbarrow loads of rock that would constitute ore were uncovered in the trenches and no reserves were defined during the exploration program. The project was not certified.

Presumedly recent work has uncovered more of the pods. The trenching now proposed would extend that done previously and the underground work would explore the pod bearing zone at depths greater than the deep trenches, which in all cases bottomed the showings worked on.

There is little reason for thinking the conditions have been changed materially by recent work, but an examination has been scheduled. As a matter of form only, referral is recommended.

N. E. Nelson

N. E. Nelson

RECEIVED MAY 27 1958
DATE | INITIAL
5/27 | C | 22
WSM | 400

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

May 26, 1958

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5028 (Mercury), L. B. Pelham and H. E. Hanson, Red Rock Quicksilver Mine, Esmeralda County, Nevada. $21,543.00.

The applicant proposes to explore the Red Rock Quicksilver Mine by underground and surface exploration at an estimated total cost of $21,543.

Bureau of Mines records show that the 1958 production is at a slightly lower rate than the 1957 output of 53 flasks.

It is recommended that the application be referred to the Field Team for appropriate action.

The application is returned herewith.

J. W. Pennington

J. W. Pennington

Attachment

Copy to: Division of Minerals
Branch of Base Metals (2)
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 22, 1958

Messrs. L. R. Pelham & H. E. Hanson
Red Rock Mines
Fish Lake Valley
Via- Tonopah, Nevada

Subject: DMEA-5028

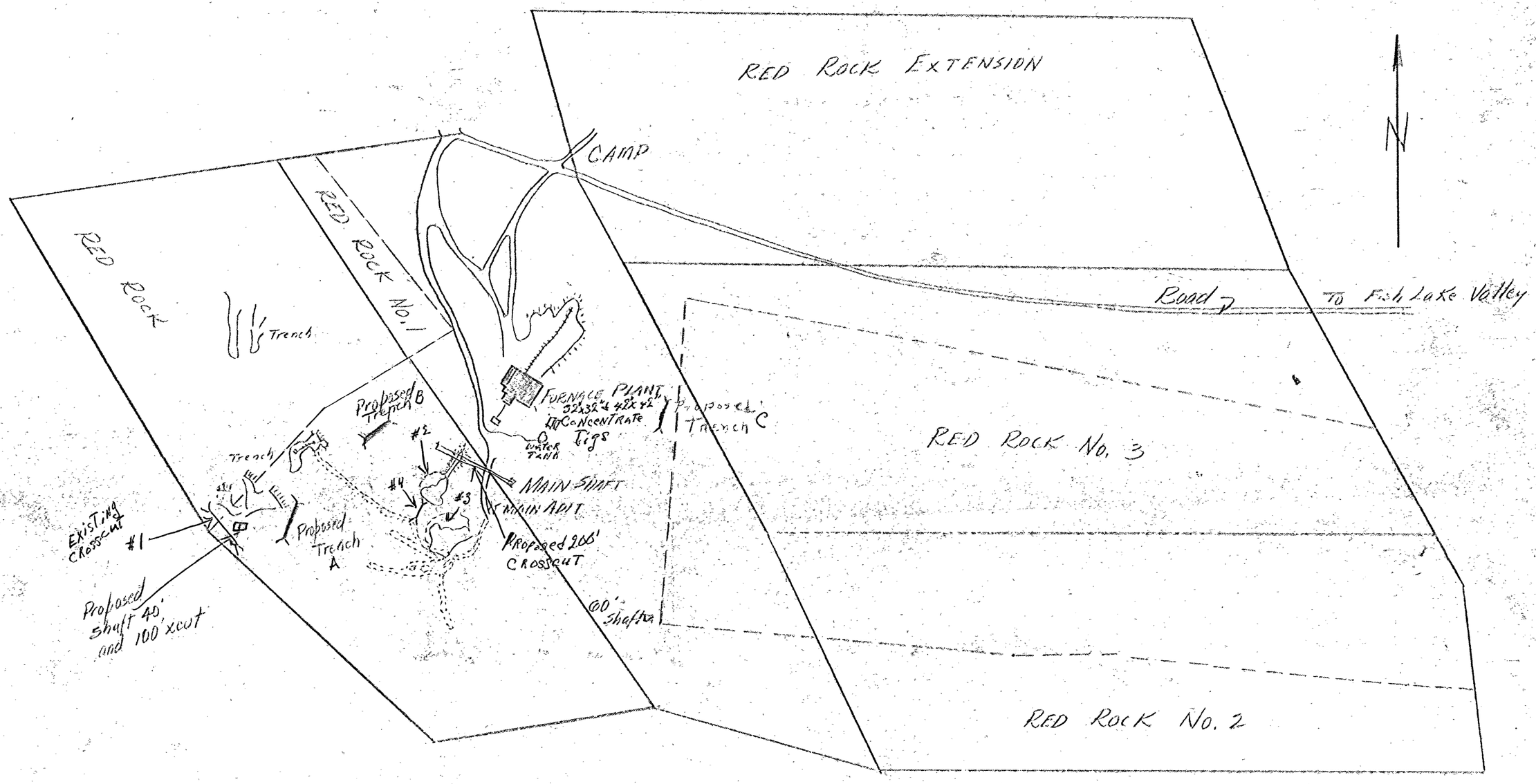
Gentlemen:

Your application for exploration assistance, dated May 16, 1958 submitted to our office at Reno, Nevada has been assigned Docket Number DMEA-5028 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.



RED ROCK CLAIMS, ESMERALDA COUNTY NEVADA
SEC. 18, T. 1S., R 34 E, MDB&M

0' 200' 400' 600
Scale Feet