DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

[redacted] NO. 2213

DME ~~DMEA~~ NO. 6500

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments
  Revised Application dated 10/19/65

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
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) 11-12-66
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of 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

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Review-Contract 2213
Docket No. OME-6500(Silver-Gold)
Great Basin Exploration Company (Operator)
Silver Hill Property
Mineral County, Nevada

Report Issued: November 1966

An examination of the disbursement records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the subject minerals exploration project was made at Washington, D.C., on November 14, 1966.

The purpose of this project is to explore for silver and gold-bearing ore bodies by crosscutting, drifting, and long-hole drilling from the Black Hawk adit of the Silver Hill Claims located in the Aurora mining district, Mineral County, Nevada. Under the provisions of the contract, the exploration work is to be completed by December 30, 1966. The contract provides that the Government will contribute 62½ percent of the total fixed unit costs of the work.

Reimbursement vouchers submitted by the Operator and approved by the Field Officer, OME Region II, Menlo Park, California, applicable to work performed during the months February through August 1966, indicated claimed and acceptable fixed unit costs aggregating $30,260.75. The Government's participation in such costs amounted to $18,912.97.

The Operator's narrative report in support of the August 1966 reimbursement voucher indicated that all of the work contemplated by the contract

30 260 75
1 180
31 440,75

18,912,97
737.50
19,650.47

had been completed by August 31, 1966, except for the assaying of samples secured from 1,800 feet of long-hole drilling. The narrative also indicated that 500 feet of long-hole drilling allowable under the contract will not be performed.

It was noted that a computation error was made on the August 1966 voucher resulting in an underclaim of rental cost of trailers amounting to $20.

No exception is taken with respect to the financial settlements made with the Operator for the period ending August 31, 1966.

C. E. Fisher, Auditor

Reviewed by:

D. E. Savage
Office of Survey and Review

Government's copy

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

AMENDMENT NO. 2

It is agreed this 23rd day of June, 1966 between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Great Basin Exploration Company, hereinafter called the "Operator," that Exploration Contract 2213 (OME-6500), dated December 30, 1965, as amended, is further amended effective May 15, 1966, as follows:

In Exhibit A

1. Under the heading Description of the Work, the second paragraph as amended by Amendment No. 1 is further revised to read as follows:

After the initial work is completed, extend the Black Hawk adit approximately 105 feet to the center of the anomalous area and therefrom drift about 150 feet in either direction, preferably on a quartz vein. Total advance shall not exceed 405 feet as indicated on Fig. 1 entitled, "Silver Hill Project, etc." attached hereto and made part hereof.

2. Under the heading Estimated Costs of the Project, Fixed Unit Costs,

(a) The eighth item as amended by Amendment No. 1 is further revised to read as follows:

Drifting and crosscutting

405 feet @ $35.00/foot $14,175.00

(b) The ninth item (timbering) is deleted.

(c) The eleventh and twelfth items are revised to read as follows:

Long hole drilling
2,300 feet @ $3.10/foot 7,130.00

This amendment shall not be construed to increase the estimated total cost of the contract or the aggregate amount which the Government may be required to contribute.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Long
Appd. [illegible]
RM Smith
Kirkemo
Johnson
Kilzgard
Jurch

GREAT BASIN EXPLORATION COMPANY

By Alexander von Stapffen

Title Partner

MME Form 7
(2/63)

L-65-2080.11

OFFICIAL FILE COPY

Date	Surname	Code
6/15	R M Smith	130
6/15/66	Kirkema	130 K
		110

SOL

JUN 21

INTERIOR

FROM SOLICITOR
JUN 21 1966
FOR SIGNATURE

June 14, 1966

Memorandum

To: The File

From: R. M. Smith

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

Justification for Amendment No. 2

Initial rehabilitation of the Black Hawk adit, the crosscutting, and part of the drifting has been completed as provided by the contract. This work was done at less cost than originally estimated, leaving $7,139.25 of unexpended funds.

On May 4, 1966, the Field Officer transmitted a recommendation for approval of the Operator's oral request to increase the fixed unit costs of long-hole drilling by applying the unexpended funds to partly defray the actual costs of the drilling.

In our memo of May 24 to the Field Officer, the request was denied on the grounds that the conditions under which the Operator had agreed to the costs allowed by the contract remain unchanged, and that the estimated costs in the contract had not been shown to be the result of a mutual error.

The costs of long-hole drilling were originally estimated by the Operator on the basis of performing the work itself to be $1.91 for up-holes and $2.85 for down-holes. The contract was subsequently prepared and allowed $1.50 and $2.25, respectively, which are more nearly comparable to the usual costs of long-hole drilling in Region II.

By letter of June 1 the Operator protested the denial and furnished written justification for its original request. Upon receipt of the written justification, the Field Officer transmitted it to the Washington office.

FROM SOLICITOR
JUN 21 1966
FOR SIGNATURE

23263

Although the Operator signed the contract, it protested the low unit costs allowed for long-hole drilling to the Field Officer before signing, and intended to return the contract for reconsideration. Upon advice of the Field Officer that after the work was under way, unspent contract funds might be available to apply to the drilling, the Operator signed the contract in January to avoid delaying the start of work on February 1, 1966.

In neither the original nor the revised application did the Operator point out that a special large-size, high speed drill would be used which would produce a more representative sample of the heavy precious metals and ore sulphide mineral than would the conventional long-hole drill equipment. Although the contract specifies that the long holes are to be finished not less than 2-inch diameter to depths of approximately 100 feet, it was overlooked in preparing the contract that the usual costs of long-hole drilling would not be sufficient to cover these exceptionally large holes. It is evident, therefore, that the low costs allowed by the contract are the result of errors by both the Operator and the Government.

I recommend that the fixed unit costs of long-hole drilling be increased to $3.10 per foot by applying $7,130.00 of the unexpended $7,139.25 in order to partly defray the actual costs of $3.75 per foot.

R. M. Smith

R. M. Smith

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Smith

RMSmith/mm (6/14/66)

Government's Copy

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

AMENDMENT NO. 1

It is agreed this 21st day of April, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Great Basin Exploration Company, hereinafter called the "Operator," that Exploration Contract 2213 (OME-6500), dated December 30, 1965, is amended effective the date of the contract as follows:

In Exhibit A,

1. Under the heading Description of the Work,

(a) The first paragraph is revised to read as follows:

The initial work under this project shall consist of road improvement and repair, including the installation of three iron drain culverts not less than 30 inches by 15 feet in size; camp site and portal preparation at the Black Hawk adit; complete rehabilitation of the Black Hawk adit, including cleanup and all pipe, rail, and necessary timber with a door at the portal; preparation and installation of a water supply system, including necessary tanks; and the construction of a powder magazine and a tool shed. The initial work shall include enlarging to 5- by 7-foot size and regrading as necessary the last 135 feet of the Black Hawk adit from the Black Hawk vein to the face of the adit.

(b) The second paragraph is revised to read as follows:

After the initial work is completed, extend the Black Hawk adit approximately 105 feet to the center of the anomalous area and therefrom drift about 185 feet in either direction, preferably on a quartz vein. Total advance shall not exceed 475 feet as indicated on Fig. 1 entitled, "Silver Hill Project, etc." attached hereto and made part hereof.

2. Under the heading Estimated Costs of the Project, Fixed Unit Costs,

(a) After the seventh item, "Rehabilitation, Black Hawk adit", the following item is added:

Enlarge to 5 by 7 feet and regrade Black Hawk adit, 135 feet @ $16.85/foot	$2,275.00 (rounded) 2/

(b) The eighth item is revised to read as follows:

Drifting and crosscutting, 475 feet @ $35.00/foot	$16,625.00 2/

This amendment shall not be construed to increase the estimated total cost of the contract, nor the aggregate amount which the Government may be required to contribute.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Long
Appd. Sol. Office
RM Smith
Kirkham
Johnson
Kilsgaard
Klyn

GREAT BASIN EXPLORATION COMPANY

By Amandus van Stafflitz

Title Partner

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/4	R Smith	120
		120
		110
		220
		120M

April 4, 1966

Memorandum

To: The File

From: R. M. Smith

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

After the initial rehabilitation of the Black Hawk crosscut adit had been completed, including the removal of caved rock at the end of the adit, the Operator discovered an additional 135 feet of crosscut adit beyond the caved area along the direction in which it is planned to drive a new crosscut. This 135-foot segment is smaller than the 5- by 7-foot size specified in the contract, and its slope is not uniform.

On March 23, 1966, the Operator requested an amendment to authorize the enlargement and regrading of the 135-foot segment to specifications called for in the contract at an estimated cost of $19.07 per foot instead of the $35.00 per foot allowed for new crosscut.

The existence of the segment was not known to the Operator or to the Government prior to the preparation of the contract. Consequently, the estimated costs of the project were over-estimated through a mutual error of both the Operator and the Government.

This request represents a saving to both the Operator and the Government. The saving can be realized in either of two ways, by reducing the total dollar amount of the contract, or by performing more exploratory work for the same amount of money. Inasmuch as the amount of work authorized by the contract is an estimate rather than a certainty, it is prudent at this initial stage to apply the saving to an increase of drifting in the ore zone, should it be needed, and to leave the total estimated cost of the project unchanged.

The Operator's estimated cost of $19.07/foot for enlarging and regrading the 135-foot segment does not allow for the salvage value of rail and pipe, and it duplicates the cost of housing. Making allowance for these items, the estimated cost of this item of work is $16.85 per foot.

The OME Field Officer recommends that the Operator's request be approved, and I concur.

R M Smith

R. M. Smith

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

RMSmith/gla 4-4-66

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6500	Silver-Gold	2213	Mineral	Nevada

It is agreed DEC 30 1965 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Great Basin Exploration Company, a co-partnership composed of

Alexander von Hafften and Anthony L. Payne,

whose mailing address is **P. O. Box 8063, University Station, Reno, Nevada**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before **February 1, 1966** (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $33,000.00. The Government will contribute ~~50~~ 62½ percent of the total fixed unit costs of the work performed, not in excess of $20,625.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 6 - ½ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

A Performance Bond is attached in lieu of Consent to Lien and Subordination Agreements.

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

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

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

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

GREAT BASIN EXPLORATION COMPANY
(Operator)

By Alexander von Hafften
Alexander von Hafften, Partner

By ~~Texx~~ Anthony L. Payne
Anthony L. Payne, Partner

THE UNITED STATES OF AMERICA

By Arthur A. Baker
Acting Director, U. S. Geological Survey

Tony Selfridge
Appt. Sec. Corp.

I, _____, certify that I am the Kilagaard Lunch Klepper
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of six (6) patented claims in sec. 19, T. 5 N., R. 28 E., MDB&M, Aurora mining district, Mineral County, Nevada. It is shown on Fig. 3 entitled, "Silver Hill Claim Map," attached hereto and made part hereof.

The claims are as follows:

Name	Survey No.
Radical	37
Seminole	4220
Spotted Tiger	38
Black Hawk	4220
Wyandott	4220
Virginia	4221

The Operator is in possession of the Radical and Seminole claims by virtue of a Mining Lease with Option to Purchase dated October 21, 1964, from F. A. Jungquist.

The Operator is in possession of the remainder of the claims by virtue of a Mining Lease with Option to Purchase dated August 27, 1964, from Gabriel Relich and Violet Relich, his wife, and Victor Relich, M. D., and Virginia Relich, his wife.

A Performance Bond in lieu of Consent to Lien and Subordination Agreements is attached and made a part hereof.

Bond # 11 339 86

STANDARD FORM 25-103
JUNE 1964 EDITION
GENERAL SERVICES ADMINISTRATION
FED. PROC. REG. (41 CFR) 1-16.801

PERFORMANCE BOND

(See Instructions on reverse)

DATE BOND EXECUTED *(Must be same or later than date of contract)*: January 27, 1966

PRINCIPAL *(Legal name and business address)*

Great Basin Exploration Company, a CO-Partnership Composed of Alexander Von Hafften and Anthony L. Payne
3898 Washington Street
San Francisco, California

TYPE OF ORGANIZATION *("X" one)*

☐ INDIVIDUAL ☒ PARTNERSHIP
☐ JOINT VENTURE ☐ CORPORATION

STATE OF INCORPORATION

SURETY(IES) *(Name(s) and business address(es))*

CONTINENTAL CASUALTY COMPANY, A Corporation organized and existing under the laws of the State of Illinois and duly authorized to transact a general surety business in the State of California, with its principal office at 310 South Michigan Avenue, Chicago, Illinois.

PENAL SUM OF BOND			
MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENT(S)
	20	625	00

CONTRACT DATE	CONTRACT NO.
12/30/65	2213 Exploration Contract

KNOW ALL MEN BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto, are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: *Provided,* That, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into the contract identified above;

NOW, THEREFORE, if the Principal shall perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Surety(ies) being hereby waived, then the above obligation shall be void and of no effect.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this performance bond and have affixed their seals on the date set forth above.

PRINCIPAL

	1.	2.	
Signature(s)	Alexander Von Hafften (Seal)	Anthony L. Payne (Seal)	Corporate Seal
Name(s) & Title(s) *(Typed)*	1. Alexander Von Hafften Co-Partner	2. Anthony L. Payne Co-Partner	

INDIVIDUAL SURETY(IES)

	1.	2.
Signature(s)	(Seal)	(Seal)
Name(s) *(Typed)*	1.	2.

CORPORATE SURETY(IES)

SURETY A					
Name & Address	Continental Casualty Company 433 California St., San Francisco		STATE OF INC. Illinois	LIABILITY LIMIT	Corporate Seal
Signature(s)	1.		2.		
Name(s) & Title(s) *(Typed)*	1. Everett C. Young Attorney-in-Fact		2.		

CORPORATE SURETY(IES) (Continued)					
SURETY B	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY C	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY D	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY E	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY F	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY G	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		

BOND PREMIUM ▶	RATE PER THOUSAND	TOTAL
	$ 7.50	$ 155.00

INSTRUCTIONS

1. This form is authorized for use in connection with contracts for construction work or the furnishing of supplies or services.

2. The full legal name and business address of the Principal shall be inserted in the space designated "Principal" on the face of this form. The bond shall be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of his authority must be furnished.

3. (a) Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein. Where more than a single corporate surety is involved, their names and addresses (city and State) shall be inserted in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)", and in the space designated "SURETY(IES)" on the face of this form only the letter identification of the Sureties shall be inserted.

(b) Where individual sureties execute the bond, they shall be two or more responsible persons. A completed Affidavit of Individual Surety (Standard Form 28), for each individual surety, shall accompany the bond. Such sureties may be required to furnish additional substantiating information concerning their assets and financial capability as the Government may require.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Seal", and, if executed in Maine or New Hampshire, shall also affix an adhesive seal.

5. The name of each person signing this performance bond should be typed in the space provided.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1964 OF—703-284—92-D

CONTINENTAL CASUALTY COMPANY

Chicago, Illinois

AN ILLINOIS CORPORATION

Power of Attorney Appointing Individual Attorney-in-Fact.

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint EVERETT O. YOUNG

of SAN FRANCISCO, CALIFORNIA

its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature as follows:

WITHOUT LIMITATIONS

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The President or a Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 3rd day of April, 1957.

"Resolved, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed this 3rd day of December, 1963.

CONTINENTAL CASUALTY COMPANY

CONTINENTAL CASUALTY COMPANY 1897 CORPORATE SEAL

Robert T. Schaller

Vice President.

State of Illinois }
County of Cook } ss

On this 3rd day of December, 1963, before me personally came ROBERT T. SCHALLER to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Vice-President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

J. DOWNEY NOTARY PUBLIC COOK COUNTY ILL.

J. Downey

Notary Public.

My Commission Expires March 19, 1965

CERTIFICATE

I, R. J. WALKER, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of Article IX of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 27th day of January, 1966.

CONTINENTAL CASUALTY COMPANY 1897 CORPORATE SEAL

R. J. Walker

Assistant Secretary.

Form S. D. 3A (Rev. 2-15-62)

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

EXHIBIT A

The purpose of this project is to explore by crosscutting, drifting, and long hole drilling from the Black Hawk adit an arsenic anomaly for silver- and gold-bearing ore bodies in the immediate hanging wall area of the Spotted Tiger vein which traverses Tertiary volcanics.

General Provisions

A D-6 Caterpillar bulldozer or equivalent unit of any other make shall be used for road repair and improvement and for camp and portal site preparation.

All drifts and crosscuts shall be not less than 5 by 7 feet in the clear of timber and shall be timbered as necessary, using standard drift sets of not less than 8- by 8-inch timber.

Mine rail shall be not less than 16-lb. size, air line not less than 2-inch size, water line not less than 1-inch size, and ventilation line not less than 8-inch size.

All significantly mineralized areas traversed by the crosscutting or drifting shall be sampled normal to their trends at linear intervals of not more than ten feet. In addition, a representative bulk sample may be taken of each round broken. Each sample shall be split as necessary, and one split shall be assayed for silver and gold. The remainder shall be stored in a suitable container for Government inspection and possible use.

The long holes finished at not less than 2-inch diameter shall be sampled in four foot sections. Approximately 50 percent of the samples will be split as necessary and assayed for silver and gold. All remaining samples or splits of samples shall be stored in suitable containers properly identified as to source and location.

Stored samples from whatever source may be disposed of by the Operator with prior Government approval.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the locations of all samples taken, and the general geological formations and structures traversed by the work performed.

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

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

Description of the Work

The initial work under this project shall consist of road improvement and repair, including the installation of three iron drain culverts not less than 30 inches by 15 feet in size; camp site and portal preparation at the Black Hawk adit; complete rehabilitation of the Black Hawk adit, including cleanup and all pipe, rail, and necessary timber with a door at the portal; preparation and installation of a water supply system, including necessary tanks; and the construction of a powder magazine and a tool shed.

After the initial work is completed, extend the Black Hawk adit approximately 240 feet to the center of the anomalous area and therefrom drift about 150 feet in either direction, preferably on a quartz vein. Total advance shall not exceed 540 feet as indicated on Fig. 1 entitled, "Silver Hill Project, etc." attached hereto and made part hereof.

For the long hole drilling, prepare nine (9) 4- by 7-foot stations 3 feet deep on not less than 75-foot centers, and therefrom drill not more than eighteen (18) 100-foot long holes at plus five (5) degrees and on the northwest side of the drifting five (5) 100-foot long holes at minus 45 degrees, all as indicated on said Fig. 1.

Estimated Costs of the Project

Fixed Unit Costs

Mobilization and demobilization of D-6 bulldozer	$ 200.00
Initial road repair and improvement and camp site and portal preparation, 63 bulldozer hours @ $16.00/hr.	1,008.00
Initial road repair and improvement, labor, materials, and supplies	624.00 1/
Water supply, tanks and pump	200.00 1/ 2/
Powder magazine	350.00
Wooden tool shed	170.00
Rehabilitation, Black Hawk adit	1,375.00 1/ 2/
Drifting and crosscutting, 540 feet @ $35.00/foot	18,900.00 ~~1/~~ 2/ 2,275.00 14,175
Drift and crosscut timbering, 108 feet @ $8.00/foot	864.00
Drill stations, 9 @ $100.00/each	900.00
Long hole drilling at plus 5 degrees, 1,800 feet @ $1.50/foot	2,700.00 1,130
Long hole drilling at minus 45 degrees, 500 feet @ $2.25/foot	1,125.00
Rental, two (2) 22-foot self-contained trailers, 6 months @ $90.00/month each	1,080.00
Mobilization and demobilization of 2 (2) trailers @ $120.00/each	240.00

Utilities for trailers, 6 months @ $4.00/month each	$ 48.00	
66 drift samples, including preparation, freight, etc., assayed for silver and gold @ $6.00/each sample	396.00	
290 long hole samples, including preparation, freight, etc., assayed for silver and gold @ $4.00/each sample	1,160.00	
Mobilization and demobilization of small bulldozer or end loader for road maintenance	100.00	
Rental, fuel, and upkeep of small bulldozer or end loader, 6 months @ $260.00/month	1,560.00	
Total Estimated Fixed Unit Costs		$33,000.00
Government Participation @ 62.5%		$20,625.00

1/ The completed job is the unit of work.

2/ The Government retains no equity in any of the material used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

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

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

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

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

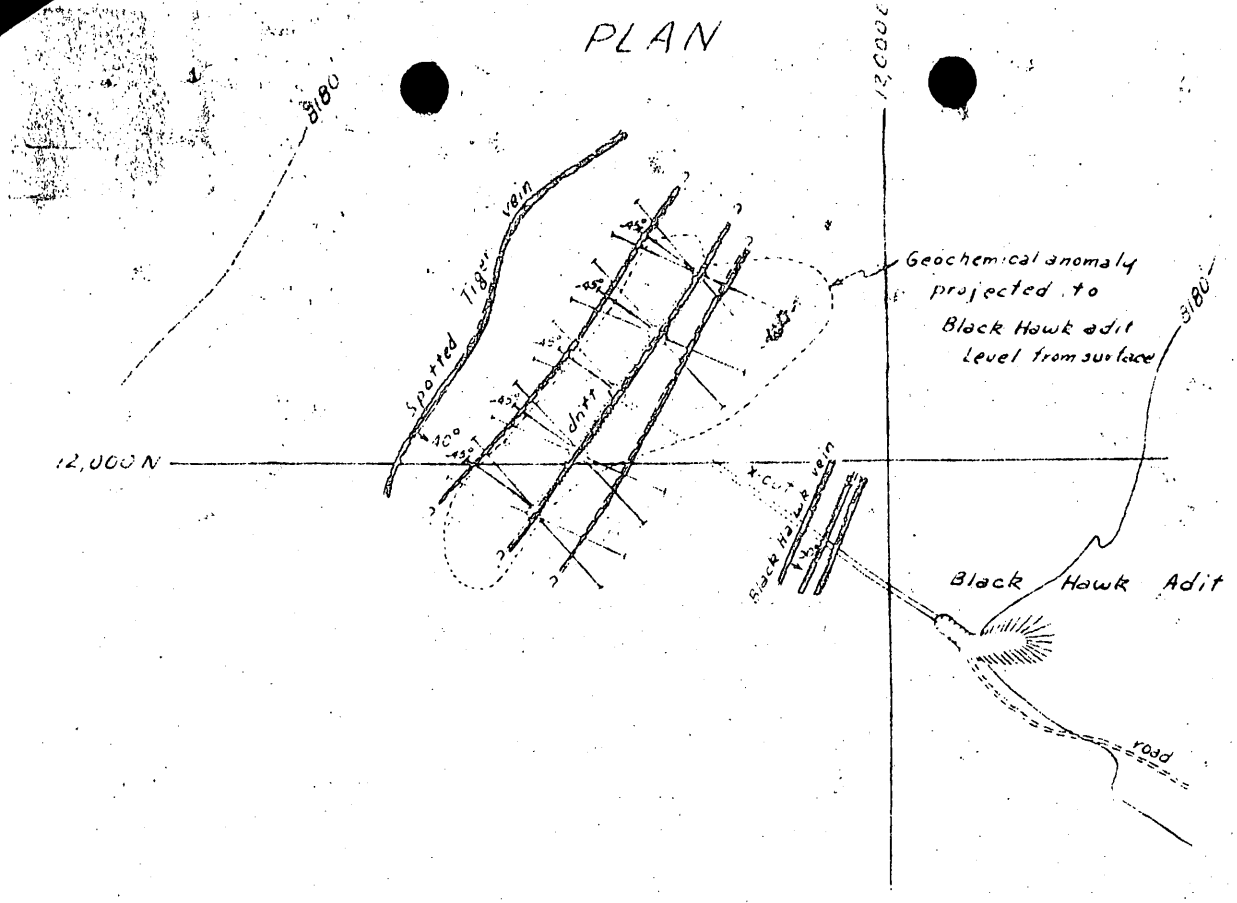
'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments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

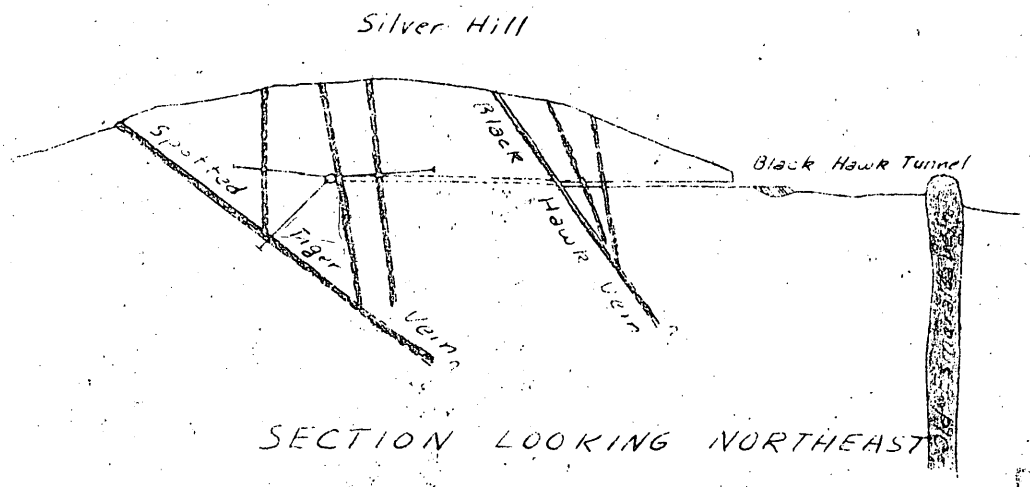
'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

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

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

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





SECTION LOOKING NORTHEAST

Fig. I

Silver Hill Project

Lay-out of Long-Hole drilling

Scale 1" = 200'

Anthony L. Payne

October, 1965

Great Basin Exploration Company

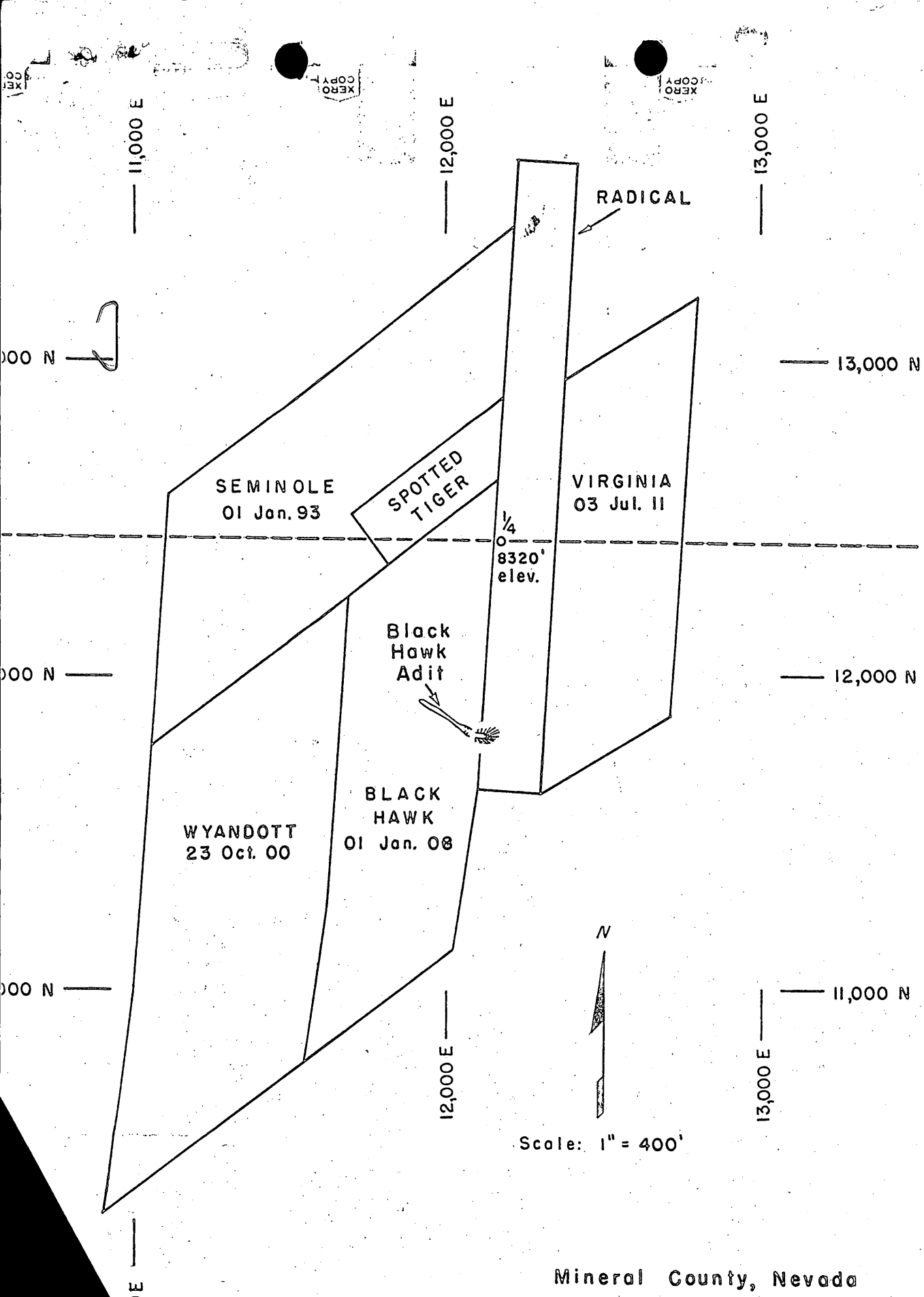


FIGURE 3.—Silver Hill claim map.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

October 25, 1965

ORIGINAL COPY
RECEIVED
OCT 29 1965
MINERALS CODE
120 M
120
120
500

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada

Enclosed are copies of letters and a revised exploration program with the estimated cost of the project and the maps, submitted by Mr. Anthony Payne, Mining Geologist for the Great Basin Exploration Co., the applicant.

Also, enclosed are letters of refusal from the claim owners. If the company is favored with Government assistance, they will secure a performance bond for their share of the exploration contract.

?

Paul V. Fillo

Paul V. Fillo

Enclosures

cc:
Chief, OME, Wash., D. C.

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada

FA 3-2081 Ext. 578

OCT 1965
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION 11

October 19, 1965

Mr. Paul V. Fillo
Mining Engineer
U. S. Bureau of Mines
9011 Federal Building
450 Golden Gate Avenue
San Francisco, California 94102

Ref: OME - 6500

Dear Paul:

The other day when we were on Silver Hill you brought up the subject of geophysical methods of exploration. I had rather suspected that this would come up, for we certainly tried our best to think of additional methods of checking possibilities out before proceeding with a physical exploration program. For your reference, my thinking is along the following lines.

Seismic and radiometric methods do not apply to this type of prospect.

Gravity methods cannot be considered because of the very small size of the target, and the complicated terrain corrections that would be necessary. Actually, a number of density contrasts are known to be present in the rock-- contrasts that are certain to be greater than any presumed difference due to the ore's specific gravity.

Magnetic methods of prospecting do not apply in this type of ore. The actual ore minerals represent a very small part of the vein material, and even if their magnetic susceptibility should distort magnetic field, the effect would be very small. Ore, if present, may be more deeply oxidized than the relatively fresh andesite wall rock. Oxidation commonly destroys minerals that behave well magnetically, and this would interfere with the method.

Electrical methods of prospecting deserve most serious consideration. IP and SP methods might detect the sulphide mineralization commonly associated with Aurora "bonanza" ores. The difficulty is that little is known of the depth and extent of oxidation. It is probable that the veins and ore shoots are more deeply oxidized than the weakly pyritized wall rock. From the standpoint of the IP method, this would tend to reduce contrast. From the standpoint of the SP method, it could result in negative interpretations. If more was known about the depth of oxidation, position and seasonal behavior of the water table, and the sulphide content of the un-oxidized bonanza ores as compared to mineralized faults and barren veins-- Great Basin Exploration would have conducted SP surveys over the ground this spring. As it is, we reluctantly concluded that geophysical methods of prospecting would not easily be applied.

Elsewhere in the world, conventional geophysical methods of prospecting have almost uniformly met with failure in prospecting and exploring epithermal silver and gold veins, particularly the bonanza type mineralization.

Yours very truly,

Anthony L. Payne
gc

Anthony L. Payne
Mining Geologist

ALP;gc
cc; Alexander von Hafften

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

October 18, 1965

OCT 1965
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION 11

Mr. Paul V. Fillo
Mining Engineer
U. S. Bureau of Mines
9011 Federal Building
450 Golden Gate Avenue
San Francisco, California 94102

Ref: OME - 6500

Dear Paul:

It was a pleasure to visit the Silver Hill project at Aurora with you last week-end. In accordance with our conversations on the property, I am enclosing an outline of a revised exploration program which is an improvement over the proposal in Great Basin's original application for financial assistance. If the results of this "first phase" exploration are encouraging, we hope that the Office of Minerals Exploration will consider a second stage program aimed at checking out drilling results.

Also enclosed are three copies of a letter of refusal from Dr. Victor Relich, concerning the Silver Hill, Spotted Tiger, Gladiator, Wyandott, Black Hawk, and Virginia patented mining claims. Alex von Hafften will furnish you copies of a letter of refusal from Mr. Jungquist concerning the Monarch, Seminole, Bald Eagle, and Radical patented claims. Neither property owner was willing to execute OME Form 52 Lien and Subordination agreement.

With reference to Mr. Frank Johnson's recent letter, Great Basin Exploration Company is willing to include the Seminole, Radical, and Virginia patented claims in the Application for Financial Assistance in Minerals Exploration. In the event that the Office of Minerals Exploration should favor Great Basin Exploration Company with an exploration contract, the following patented mineral claims would be included:

Black Hawk	Seminole	Wyandott
Radical	Spotted Tiger	Virginia

Great Basin Exploration Company will secure a performance bond for its share of the exploration contract.

Please be assured of our cooperation, should additional information be required in support of Great Basin Exploration Company's application.

With best regards,

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

ALP:gc

Victor Relich, M. D.
11272 San Pablo Avenue
El Cerrito, Contra Costa County
California
10/1/65

Mr. Anthony L. Payne
Great Basin Exploration Company
Post Office Box 8063, University Station
Reno, Nevada

Dear Mr. Payne:

I have carefully examined the Lien and Subordination agreement (MME Form 52) which you wish to use in connection with an application to the Office of Minerals Exploration for an exploration project on the mining claims leased by me to your firm in the Aurora Mining District, Mineral County, Nevada.

I refuse to sign the Lien and Subordination agreement, for the following reasons. I do not wish to have the Federal Government in a position of priority of payment of royalty on ores and minerals produced from the claims. I do not wish to encumber either the property itself or the ores produced from it with any form of lien.

Yours very truly,

Victor Relich M.D.

Victor Relich, M. D.

ANDREW J. COPP, JR.
ATTORNEY AT LAW
437 SOUTH HILL STREET, SUITE 1002
LOS ANGELES 13, CALIFORNIA
MADISON 5-2507

October 22, 1965

Mr. Alexander Von Hafften
Great Basin Exploration Company
Room 730 Monadnock Building
681 Market Street
San Francisco 5, California

Dear Sir:

I have gone over the Lien and Subordination agreement (M M E Form 52) that you request me to sign in support of your application for a government exploration loan to finance an exploration project on the mining claims leased by me to your firm in the Aurora Mining District, Mineral County, Nevada.

On due consideration and after consultation with counsel, I respectfully refuse to sign the Lien and Subordination agreement.

I am returning herewith four copies of (M M E 52 unsigned.

Very truly yours,

F. A. Jungquist

FAJ:ee

Time Schedule

SILVER HILL PROJECT

(Weeks of Work)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Repair and improve access road	(5) days																							
Camp site and surface preparation		(3) days																						
Rehabilitate Black Hawk adit		(2-3/4) days																						
Crosscut 240 feet to center of anomaly	(10-3/4) days		(6 weeks)																					
Drift 300 ft. along center of anomaly, prepare 9 long-hole drill stations				(6 weeks)				(13-1/2 weeks)																
Long hole drilling													(13 Weeks)											
Tear down, or prepare for second stage of exploration																								

Crew A

Crew B

Revised Program of Exploration

SILVER HILL AREA

Aurora (Esmeralda) Mining District, Nevada

October 19, 1965

11/24/65

The attached plan is a projection of all geologic data to the 8180 ft. elevation, showing the relative position of the veins, the geochemical anomaly, the Black Hawk adit, and a proposed program of exploration by 18 flat 100-ft. long-holes, and 5 inclined 100-ft. long-holes, to be drilled with percussion machine to explore the Spotted Tiger vein and its immediate hanging wall. The work necessary to complete this program is outlined below, and a detailed summary of estimated costs may be found appended to the report.

REVISED APPLICATION

Road improvement and repair.--It will be necessary to repair and improve the access road from Esmeralda Gulch to the Black Hawk adit portal. Rental and mobilization of bulldozer, drilling and blasting of bed rock, and installation of drain culverts is estimated to cost: $1,208.45 Time estimate: 5 days.

Road maintainence.--In order to keep the access road in good condition during winter snowstorms and/or summer flash floods, it will be necessary to keep an old bulldozer on the property during the anticipated six months duration of the project. Lease, mobilization, maintainence, repair, and part-time operation of the bulldozer is estimated to cost: $1,669.86 Time estimate: Continue through duration of project.

Camp site and preparation of portal at Black Hawk adit.--Preparation of camp site, trailer sites, water supply for camp and underground use, powder magazine, and wooden tool shed are estimated to cost: $1,562.15 Time estimate: 3 days.

$520/day

Rehabilitation of Black Hawk adit.--Restoring the adit to operating condition will involve cleaning up and timbering the portal, installation of wooden door, installation of track, air and water lines, and cleaning and re-timbering through the area of the collapsed ore chute at the face. The work is estimated to cost: $1,628.90 Time estimate: 13-1/3 days.

Crosscut 240 feet northwest to center of anomaly.--One the face in the Black Hawk tunnel is regained, new 5' x 7' crosscut (including an allowance for timbering 20% of the advance) is estimated to cost: $9,715.20 Time estimate (two-shift basis): 6 weeks.

Drift 300 feet along center of anomaly, 150 feet to northeast, 150 feet to southwest.--Once the crosscut is extended to the anomaly, drifts will be driven 150 feet in each direction along the center of the mineralized zone underlying the anomaly at the surface, at an estimated cost: $13,014.00 Time estimate: 13-1/2 weeks.

Channel sampling of drift.--Channel samples will be taken across the face after each blast, the samples to be assayed for silver and gold. These samples will be sent, as collected, to Hawley and Hawley in Tucson, Arizona for drying, splitting, crushing, pulverizing and analysis, at an estimated cost: $396.00 Time estimate: current with drifting.

Preparation of nine long-hole drill stations.--Nine 4' x 7' drill stations 3' deep will be cut into the drift walls on 75-ft. intervals, at an estimated cost: $954.36 Time estimate: 3 days.

Long hole drilling.--Eighteen 100-ft. long-holes will be drilled +5°, two from each of the nine drill stations, at an estimated cost of $3,438.00 Time estimate: 9 weeks.

Five 100-ft. long-holes will be drilled -45°, one from each of the drill stations on the northwest side of the drift, at an estimated cost: $1,425.00 2,85/ft
Time estimate: 4 weeks.

Samples will be collected for each 4 ft. sectional steel, and 50% of the samples will be split and sent to Tucson for silver and gold assay, at an estimated cost: $1,165.80 Time estimate: current with long-hole drilling. ?

The total estimated cost for all of the above is: $36,177.72 original $36,500.00

A chart showing the proposed time schedule for the above operations is appended to this report.

Upon the conclusion of this work, additional work may be necessary to explore encouraging drill hole intersections, and it is anticipated that finanical help would be sought from the Office of Minerals Exploration to continue with a second stage to the project.

Anthony L. Payne
Mining Geologist

Estimate of Costs of Silver Hill Project

Aurora Mining District, Nevada

Item II = $11.60/hr.

I. Road improvement and repair:

a. Rental of D-6 or equivalent bulldozer with operator and supplies, 24 hrs. at $16.00/hr. ? $ 384.00

Mobilization charges for bulldozer, round trip from Carson City. 200.00

$ 584.00

b. Drilling and blasting bed rock and boulders, two men with jackhammer.

Labor:

1 miner 24 hrs. @ $2.75 + 16%* $ 76.56

1 helper 24 hrs. @ $2.25 + 16% 62.64

Supplies:

3 boxes (50 lbs.) Atlas 40% 1-1/4" x 8" sticks @ $14.35. 43.05

1 drill steel 7/8" x 3' 9.35

1 1-1/2" tungsten carbide bit 12.25

Caps, fuse, spitter cord, etc. 18.00

Equipment:

? Use of compressor, air hose, drill, steel, line oiler, hand tools, $27.50/day for 3 days. 82.50

$ 304.35

c. Install 3 drain culverts in access road.

Labor:

1 miner 12 hrs. @ $2.75 + 16% $ 38.28

1 helper 12 hrs. @ $2.25 + 16% 31.32

Supplies:

3 - 30" x 15' corrugated iron drain culverts @ $82.50 ? 247.50

Equipment:

Hand tools 3.00

$ 320.10

$1,208.45

* Taxes, insurance, unemployment (Industrial insurance in Nevada is $7.95 for underground miners).

?

II. Road Maintainence:

a. Rental of old small bulldozer or end loader (preferably steel tread model) for standby road repair and maintainence, 6 mos. @ $150.00/mo. $ 900.00

Mobilization charges. ? 100.00

b. Labor:

Operator 24 hrs./mo. for 6 months
144 hrs @ $2.75/hr. + 16%. 459.36

c. Fuel and lubrication.

#2 diesel fuel, 275 gals. at 22¢/gal. 60.50
Oil and lubrication, 6 mos. at $10.00/mo. 60.00

d. Repairs and maintainence of bulldozer, 6 mos. at $15.00/mo. 90.00

$1,669.86

≠ $11.60/hr.

III. Camp site, portal preparation at Black Hawk Tunnel:

a. Rental of D-6 or equivalent bulldozer with operator and supplies, 40 hrs. at $16.00/hr. $ 640.00

(Mobilization already charged to road repair, above)

b. Water supply:

Install 500 gal. tank at spring for camp and mine water supply. 162.35

Install 100 gal. tank for camp water supply. 78.00

Install 100 gal. jack tank (air pressure feed) for mine water supply. 96.00

50 gal. water tank for haulage on pick up. 23.00

Barrel pump for water. 42.80

no c. Construct powder magazine 100 ft. from camp and Black Hawk portal. 350.00

d. Construct wooden tool shed at portal. 170.00 -402.15

$1,562.15

IV. Rehabilitate Black Hawk Tunnel, regain face:

a. Clean portal.

Labor:	1 miner 40 hrs. @ $2.75 + 16%	$ 127.60
	1 helper 40 hrs. @ $2.25 + 16%	104.40
Supplies:		
	None	
Equipment:		
	Hand tools	7.50

b. Timber and lag 4 sets, install wooden door at portal:

Labor:	1 miner 20 hrs. @ $2.75 + 16%	63.80
	1 helper 20 hrs. @ $2.25 + 16%	52.20
Supplies:		
	Timber	130.00
Equipment:		
	Hand tools	4.00

c. Install 200 ft. of track, air line, and water line to face.

Labor:	1 miner 32 hrs. @ $2.75 + 16%	102.08
	1 helper 32 hrs. @ $2.25 + 16%	83.52
Supplies:		
	100 4" x 4" x 30" ties at 50¢ ea.	50.00
	400 ft. 16# rail, 2140 lbs. (1.07 tons) @ $180.00/ton.	192.60
	Fish plates, nuts and bolts, rail spikes @ 20¢ ft.	40.00
	200 ft. 2" air line @ $0.90/ft.	180.00
	2" unions and couplings	12.00
	200 ft. 1" water line @ $0.40/ft.	80.00
	1" unions and couplings	9.00
Equipment:		
	Hand tools	6.00

IV. Rehabilitate Black Hawk Tunnel, regain face (Continued):

d. Clean face (collapsed ore chute under old stope on Black Hawk vein).

Labor:	1 man 24 hrs. @ $2.75 + 16%	$ 76.56
	1 helper 24 hrs. @ $2.25 + 16%	62.64
Supplies:	None	
Equipment:	Hand tools	5.00

e. Re-timber and lag 4 sets through old stope on Black Hawk vein.

Labor:	1 miner 20 hrs. @ $2.75 + 16%	63.80
	1 helper 20 hrs. @ $2.25 + 16%	52.20
Supplies:		
	Timber	120.00
Equipment:		
	Hand tools	4.00
		$1,628.90

V. Drive 240 ft. of 5" x 7" cross cut to northwest to center of anomalous area; 5 day week, 2 shifts/day, 4-1/2 ft./shift = 6 weeks. Wages: Miner $2.75/hr., helper $2.25/hr., and averaging 4-1/2 ft./shift. $ 8.90/ft.

Insurance, social security, unemployment, etc. (16%)	1.42/ft.
Powder, fuse, detonators.	3.80/ft.
Timber (allowance for timbering of 20% of cross cut).	2.10/ft. out
Compressor supplies.	2.25/ft.
Steel and bits.	1.75/ft.
Spikes, fish plates, nuts and bolts.	0.20/ft.
Ties 4" x 4" x 30" on 2 ft. spacings.	0.25/ft.
Rail (16 lbs.) salvage	0.96/ft.
2" air line, with unions and couplings, etc. salvage	1.00/ft. high
1" water line, with unions and couplings, etc.	0.50/ft. high
Equipment (compressor, 4 wheel drive truck, jackleg drill, air and water hoses, sal line oiler, sal 2 mine cars, sal salvage mucking machine, jim crow rail bender).	7.30/ft. -?
Water haulage. sal.	1.25/ft. = + $5.60/shift
Housing.	1.80/ft. -?
Engineering, accounting, reports.	2.25/ft. ?
Supervision.	3.50/ft.
Repairs of all equipment.	1.25/ft.
	$40.48/ft.
	7.40
	33.08

240 ft. at $40.48/ft. = $9,715.20

- 2.10 timber
1.25 salvage
1.80 housing
2.25 eng.
7.40

5 75/9
51.75/day

40.48
2.80
37.68

VI. Drive 300 ft. of 5' x 7' drift on mineralization in center of anomaly: 150 ft. to northeast, 150 ft. to southeast. Five day week, 1 shift/day, 4-1/2 ft./shift = 13-1/2 weeks. ? work both faces
Wages: Miner $2.75/hr., helper $2.25/hr. and averaging 4-1/2 ft./shift. $ 8.90/ft.

Insurance, social security, unemployment, etc. (16%)	1.42/ft.
Powder, fuse, detonators.	3.80/ft.
Timber (allowance for timbering of 20% of drift).	2.10/ft. out
Compressor supplies.	2.25/ft.
Steel and bits.	1.75/ft.
Spikes, fish plates, nuts and bolts.	0.20/ft.
Ties 4" x 4" x 30" on 2 ft. spacings.	0.25/ft.
Rail (16 lb.)	0.96/ft. sal.
2" air line, with unions and couplings, etc.	1.00/ft.
1" water line, with unions and couplings, etc.	0.50/ft.
Equipment (compressor, 4 wheel drive truck, jackleg drill, air and water hoses, line oiler, 2 mine cars, mucking machine, jim crow rail bender).	10.20/ft. = 45.90/day to high
Water haulage.	1.25/ft.
Housing.	1.80/ft. - ?
Engineering, accounting, reports.	2.25/ft. to high
Supervision.	3.50/ft.
Repairs of all equipment.	1.25/ft.
	$43.38/ft.

300 ft. at $43.38 ft. = $13,014.00

VII. Channel sampling and assaying of 300 ft. of drift in mineralized center of anomaly, sampling across face after each blast (every 4-1/2 ft.), total 66 samples. ?

Labor:

(included in supervision costs of drift) $ --

Supplies:

(canvas sample bags, assay tags, and stubs, string, gads, moils, single jacks, safety glasses, sample cloths, shipping cartons, etc.) 0.40/sample

Freight: ?

(send raw samples to Hawley and Hawley in Tucson, Arizona via Las Vegas, Tonopah, and Reno stage-Greyhound Express). 1.10/sample

Assay expense: ?

(crush, split, pulverize sample). 0.75/ "

dry samples (allowance for drying 1/3 of samples) 0.25/ "

analyze for silver and gold, "special" class. ? 3.50/ " only

$6.00/sample

Cost of sampling and assaying 300 ft. of drift on mineralized zone in center of anomaly, 66 samples at $6.00 = $396.00 or $1.32/ft.

VIII. Cut nine 4 ft. x 7 ft. stations 3 ft. deep for long-hole exploration drilling.

3' x 4' x 7' = 84 cu. ft./drill station

9 x 84 = 756 cu. ft.

$\frac{756}{35}$ = equivalent of 22 ft. of drift.

22 x $43.38 = $954.36

?

VIII. Drill 18 100-ft. exploratory long holes, starting 2-3/4", finishing 2" diameter. Holes drilled +5° from horizontal, samples collected for each 4 ft. sectional steel. 1800 ft. of drilling at 40 ft./day = low? 45 days = 9 weeks.

Wages driller $3.00/hr. and averaging 40 ft./day.	$0.60/ft.
Insurance, social security, unemployment, etc.	0.10/ft.
Compressor supplies.	0.08/ft.
Steel and bits.	0.10/ft.
Equipment (large column-mounted drill, air and water hoses, small air tugger, sectional steel, hand tools, sampling apparatus).	0.26/ft.
Engineering and supervision.	0.42/ft. = $16.80/day
Repairs	0.05/ft.
Water haulage.	0.13/ft.
Housing	0.17/ft.
	$1.91/ft. high

1800 ft. of +5° long hole drilling at $1.91 = $3,438.00

IX. Drill 5 100-ft. exploratory long holes, starting 2-3/4", finishing 2" in diameter. Holes drilled -45° from horizontal, samples collected for each 4 ft. sectional steel. 500 feet of drilling at 25 ft./day = 20 days = low? 4 weeks.

Wages driller $3.00/hr. and averaging 25 ft./day.	$0.96/ft.
Insurance, social security, unemployment, etc.	0.15/ft.
Compressor supplies.	0.14/ft.
Steel and bits.	0.10/ft.
Equipment (large column-mounted drill, air and water hoses, small air tugger, sectional steel, hand tools, sampling apparatus).	0.41/ft.
Engineering and supervision.	0.76/ft.
Repairs	0.06/ft.
Water haulage.	0.17/ft.
Housing	0.10/ft.
	$2.85/ft. high

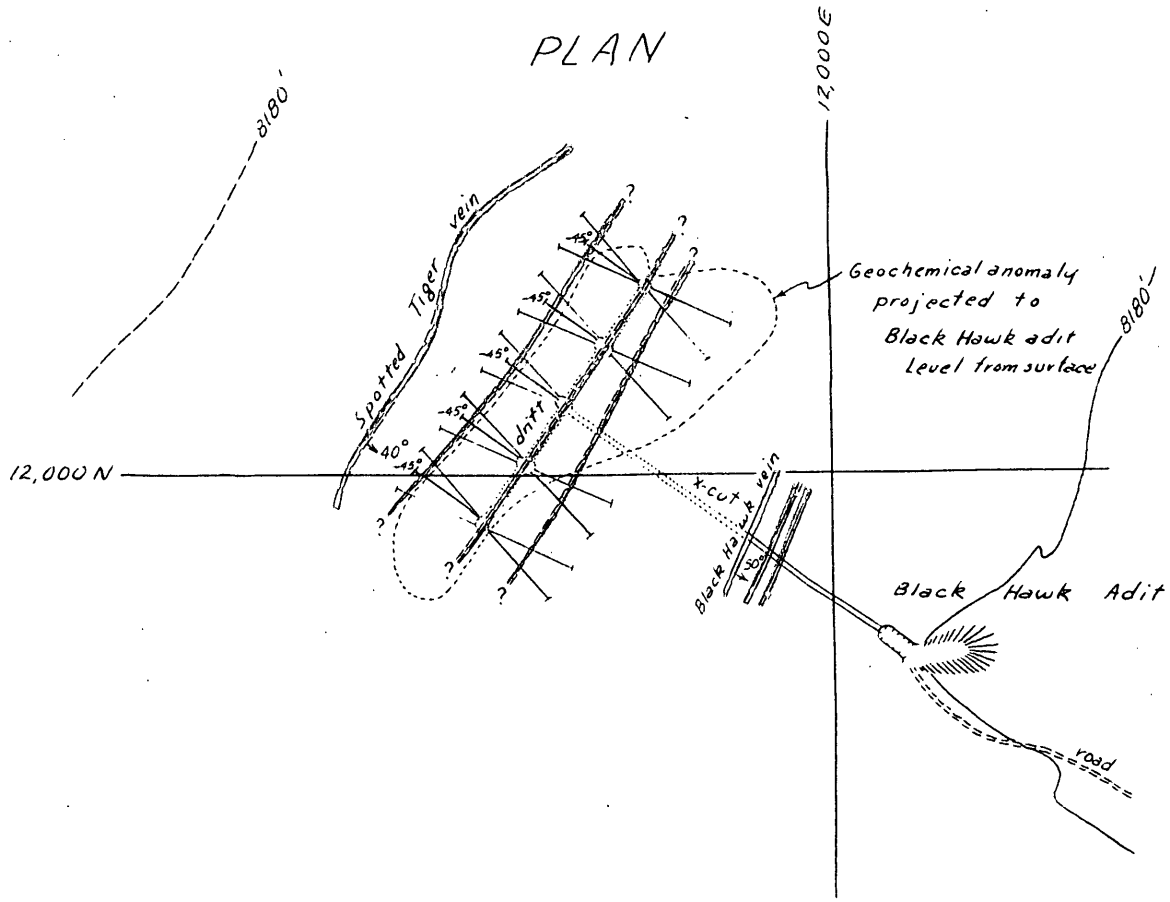
500 feet of -45° long hole drilling at $2.85 = $1,425.00

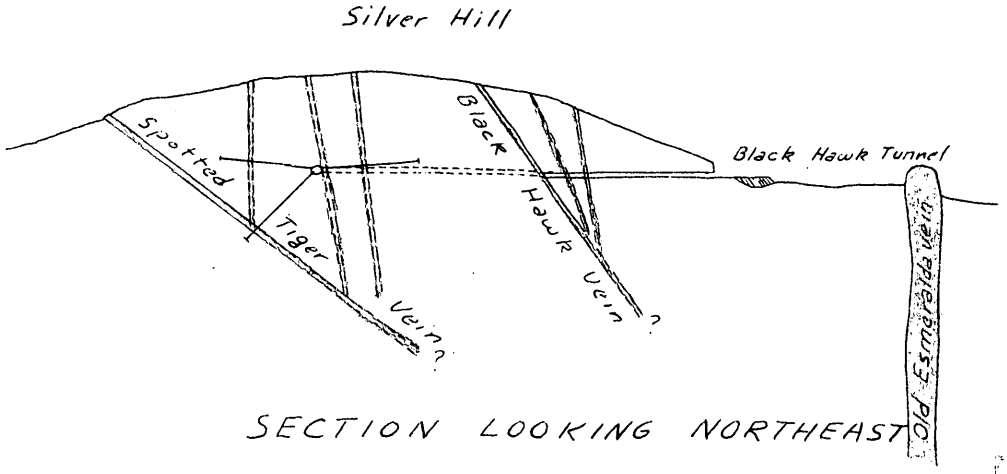
X. Sampling 2300 feet of exploration long hole drilling, samples collected every 4 ft. sectional steel, total 575 samples. 50% of samples to be assayed for silver and gold.

Supplies:	
canvas bags, assay tags and stubs, string, shipping cartons, sample envelopes.	$0.40/sample
Equipment:	
sample splitter, etc. cost	0.03/sample
Labor:	
included in supervision costs of drilling	--
Freight:	
parcel post split samples to Hawley and Hawley in Tucson, Arizona.	0.09/sample
Assay costs:	
Assay for silver and gold, "special" class.	3.50/sample
	$4.02/sample

290 samples at $4.02/sample = $1,165.80

Or, 2300 feet of drill hole at $1,165.80 = $0.51/ft. of drill hole





SECTION LOOKING NORTHEAST

ORIGINAL CORE
29 1965

Fig. I

Silver Hill Project

Lay-out of Long-Hole drilling

Scale: 1" = 200'

Anthony L. Payne

Great Basin Exploration Company

October, 1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

September 13, 1965

OFFICIAL COPY
O. M. E.
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SEP 15 1965
INITIALS | CODE

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: New Application (Silver, Gold)
Great Basin Exploration Co.
P.O. Box 8063, University Station
Reno, Nevada

Enclosed herewith is an application for financial assistance submitted to our office this morning by Mr. Alexander von Hafften in the amount of $36,500.

The proposal is for exploration of silver and gold in the Silver Hill area in the south central part of the Aurora (Esmeralda) Mining District, Mineral County, Nevada.

The applicant's proposal consists of road repair, rehabilitating the Black Hawk adit, and extending the adit (crosscut) 150 feet to an unnamed vein that borders the southeast side of the company's geochemical anomaly work. Upon intersecting this vein in the crosscut, they propose to drift in each direction 150 feet (totaling 300 feet). At 100 foot intervals along the vein, the applicant wishes to drive four slusher crosscuts, each 90 to 125 feet through the target area to evaluate the Silver Hill anomaly.

It is recommended that a field examination be made to determine to what extent the Government's participation is warranted.

Paul V. Fillo

Paul V. Fillo

Enclosure

cc:
Chief, OME, Wash., D. C.

MME Form 40
Jan. 65

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY O. M. RECEIVED SEP 15 1965 INITIALS CO.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

d/b/a GREAT BASIN EXPLORATION CO.
P. O. Box 8063, University Station
Reno, Nevada

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6500

DATE RECEIVED: 9-15-65

REGION: II

DIVISION CODE:

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
Alexander von Hafften	730 Monadnock Building, 681 Market Street, San Francisco, California	Partner
Anthony L. Payne	P. O. Box 8063, University Station, Reno, Nevada	Partner

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

ESTIMATED COST OF PROJECT: $ $36,500.00

PROPERTY NAME	LOCATION COUNTY	STATE
Silver Hill, Aurora Dist.,	Mineral County,	Nev.

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

September 1, 1965
DATED

Anthony L. Payne
BY *(Signature)*

Partner
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

1 copy

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERAL EXPLORATION

A proposal for exploring for silver and gold on the Black Hawk, Wyandott, and Spotted Tiger patented claims, SILVER HILL AREA, Aurora (Esmeralda) Mining District, Mineral County, Nevada, by:

Great Basin Exploration Company
Post Office Box 8063
University Station
Reno, Nevada

The following outline refers to the specific information requested on the reverse side of MME Form 40, "Application for Financial Assistance in Minerals Exploration".

1. Financial Eligibility:

(a) Attachment 1a consists of applications for credit to the First National Bank of Nevada (Great Basin Exploration Company's bank of account), and to the Nevada Bank of Commerce, together with letters of reply refusing the loan.

(b) Great Basin Exploration Company is a co-partnership consisting of Alexander von Hafften and Anthony L. Payne. There are no affiliated, parent, or controlling companies, and no organization owns any interest in either Great Basin Exploration Company, or Great Basin Exploration Company's Aurora properties.

(c) Great Basin Exploration Company will furnish its share of the cost of exploration from funds in its General Account, First National Bank of Nevada, 2nd and Virginia Branch, Reno, Nevada. Mr. Ted. H. Debenham, Assistant Cashier, is the bank officer most familiar with the account.

2. Applicant's Rights in Land:

(a) Mineral rights to the area to be explored are held by a lease and option to purchase agreement executed August 27, 1964, between Victor Relich, M. D., et. al., and Great Basin Exploration Company. A copy of this agreement is enclosed as attachment 2aI.

Additional patented mining claims in the adjacent area are held under lease and option to purchase agreement, dated October 21, 1964, between F. A. Jungquist and Great Basin Exploration Company. A copy of this agreement is enclosed as attachment 2aII.

Five unpatented lode mining claims have been located in the area and deeded to Great Basin Exploration Company. Copies of the certificates of location and the deeds are enclosed as attachment 2aIII.

There are no liens or other encumbrances on any of the above described properties.

2. (b) The land to be explored is on patented mining claims:

Black Hawk (Mineral Survey No. 4220)
Wyandott (Mineral Survey No. 4220)
Spotted Tiger (Mineral Survey No. 38)

These lode locations are shown on Plate 3, Property Map of the area, in the Geologic Report submitted as attachment 3g (see below).

Additional adjacent land is owned or controlled by Great Basin Exploration Company, and shown on the attached property map, Plate 3 of the Geologic Report.

(c) Attachment 2c pertains to lien and subordination agreement MME Form 52, on the Black Hawk, Wyandott, and Spotted Tiger patented claims. ?

3. Physical Description:

(Note: The geologic report submitted as attachment 3g was prepared for submittal with this OME application, and is an integral part of the application. Several of the references in 3, 4, and 5 will be to maps and narrative in this report.)

(a) Pages 33-37 in the Geologic Report narrate the past history of the area. It is unlikely that any important exploration headings underground have been missed or otherwise not taken into account. No evidence has been found of any exploration drilling, either surface or underground, on Silver Hill. There are no production facilities, other than the mine openings themselves worth repair for use in exploration or mine development.

(b) All of the previous activity was prior to World War II, most of it in the 1860's. Great Basin Exploration Company has no interest in any of the past operations or exploration programs.

(c) Pages 9-14 in the Geologic Report are an account of past production in the area. There are no settlement sheets or other similar mine data of record.

(d) There are no developed ore reserves on the property at this time.

(e) The geology of the district and the property is summarized on pages 16-26 of the Geologic Report.

(f) Exploration possibilities are described on pages 31-37 of the Geologic Report.

(g) Attachment 3g is a "Geologic Report, Silver Hill Area", Aurora (Esmeralda) Mining District, Nevada, by Anthony L. Payne, August, 1965. This report is an integral part of this OME application.

4. Accessibility of Property:

(a) Accessibility of the property is described on pages 3-7 of the geologic report. The O.M.E. representative will be accompanied to Aurora by Anthony L. Payne, P. O. Box 8063, University Station, Reno, Nevada. Office telephone 323-2081, Ext. 578. Home telephone 322-6081.

(b) Shipping and supply points are as follows:

Hawthorne, Mineral County, Nevada. Rail, Air, Truck, and Bus. Aurora is 28 miles to the southwest over graded gravel road via Lucky Boy Pass.

Bridgeport, Mono County, California. Stage and Automobile. Aurora is 30 miles to the east over paved State 22 and gravel State 3C via Bodie and Bodie Canyon.

5. Exploration Work:

(a) A description of the exploration project is outlined on pages 37-41 of the geologic report, and several illustrations contained in the report show the relation of the proposed work to the geology, property lines, topography, etc.

(b) An access road, not shown on Plate 5 (detailed geologic map) was constructed during July, 1965. The road departs from the existing road shown on the map at coordinates 12,300 N, 11,700 E., thence across the saddle just south of Silver Hill, to the Black Hawk mine dump, switching back across the slope to the Hornet dump, thence to the existing road shown on the map in Esmeralda Gulch.

(c) An estimate of the time required to complete the project, if approved, is given on page 43 of the geologic report.

6. Experience:

Attachment 6 is a statement of the operating experience and background of Anthony L. Payne, who will supervise the work.

7. Estimate of Costs:

An estimate of the costs of the project is given as follows:

(a) Independent Contracts, page 42.
(b) Personal Services, page 42.
(c) Operating Materials and Supplies, page 42.
(d) Operating Equipment, page 42.
(e) Initial Rehabilitation and Repairs, page 42.
(f) New Buildings, Fixtures, Installations, page 42.
(g) Miscellaneous, page 43.

The total cost of the project, estimated at $36,500.00 is given on page 43.

Attachment 1a

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

August 18, 1965

Nevada Bank of Commerce
Reno Branch
Reno, Nevada

Attention: Mrs. Helen R. Eddy

Gentlemen:

Great Basin Exploration Company would like to make application for capital to be used for the purpose of exploration for silver and gold on our properties in the Aurora district, Mineral County, Nevada.

The loan request is in the amount of $37,500, would not exceed ten years maturity, interest not to exceed 7%, with repayment of loan to be made at the rate of $500.00 or more per month.

Yours very sincerely,

Anthony L. Payne
Mining Geologist

Great Basin Exploration Company
Post Office Box 8063
University Station
Reno, Nevada

ALP:me

Attachment 1a

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

August 18, 1965

First National Bank of Nevada
Second and Virginia Branch
Reno, Nevada

Attention: Mr. T. H. Debenham

Gentlemen:

Great Basin Exploration Company would like to make application for capital to be used for the purpose of exploration for silver and gold on our properties in the Aurora district, Mineral County, Nevada.

The loan request is in the amount of $37,500, would not exceed ten years maturity, interest not to exceed 7%, with repayment of loan to be made at the rate of $500.00 or more per month.

Yours very sincerely,

Anthony L. Payne
Mining Geologist

Great Basin Exploration Company
Post Office Box 8063
University Station
Reno, Nevada

Attachment 1a

Nevada Bank of Commerce
STATEWIDE
RENO BRANCH

August 20, 1965

Great Basin Exploration Company
P. O. Box 8063, University Station
Reno, Nevada

Attention: Anthony L. Payne, Mining Geologist

Gentlemen:

Reference is made to your application for a loan in the amount of $37,500.00, not to exceed ten years maturity, for the purpose of exploration for silver and gold on properties in the Aurora district, Mineral County, Nevada.

Inasmuch as our loaning policies cannot qualify a loan of this nature, we must decline the application.

We are sorry that we are unable to assist you at this time, and thank you for the opportunity of reviewing the application.

Yours very truly,

Helen R. Eddy

(Mrs.) Helen R. Eddy
Assistant Vice President

HRE:ejh

ONE NORTH VIRGINIA ST. • TELEPHONE 323-8601
MAILING ADDRESS: POST OFFICE BOX 3099 • RENO, NEVADA 89505

Attachment 1a

FIRST NATIONAL BANK OF NEVADA

SECOND AND VIRGINIA OFFICE
Reno, Nevada

August 20, 1965

Great Basin Exploration Company
Post Office Box 8063
University Station
Reno, Nevada

Attention: Mr. Anthony L. Payne
Mining Geologist

Gentlemen:

Thank you for your letter of August 18, in which you applied for a loan from this bank.

As I understand the request, the amount of the loan would be for $37,500 with interest at seven per cent. Repayment would be at the rate of $500 or more a month with a maturity not to exceed ten years.

We are sorry to inform you that we would be unable to grant your loan request as it is not our policy to make capital loans of this type.

We would be most happy to entertain any additional loan applications your firm might wish to make. At the present time, however, we would have to decline this application.

Sincerely,

T. H. Debenham
Assistant Cashier

THD:mmm

MINING LEASE WITH OPTION TO PURCHASE

THIS AGREEMENT OF LEASE AND OPTION, made and entered into this 27 day of August, 1964, by and between GABRIEL RELICH and VIOLET RELICH, his wife, and VICTOR RELICH, M.D., and VIRGINIA RELICH, his wife, of 11272 San Pablo Avenue, El Cerrito, Contra Costa County, California, hereinafter collectively referred to as "Lessor" and GREAT BASIN EXPLORATION COMPANY, a co-partnership of Reno, Washoe County, Nevada, hereinafter referred to as "Lessee",

W I T N E S S E T H:

That the Lessor, for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed, and by the Lessee to be kept and performed, hereby leases, demises, and lets to the Lessee the whole of the patented mining claims, and structures and equipment thereon, owned by Lessor and situated in the Esmeralda (Aurora) Mining District, County of Mineral, State of Nevada, to-wit:

(a) √ Spotted Tiger Lode, Mineral Survey Number 38
(b) √ Black Hawk Lode, Mineral Survey Number 4220
(c) √ Wyandott Lode, Mineral Survey Number 4220
(d) The Gladiator Lode, Mineral Survey Number 4220
(e) Silver Hill Lode, Mineral Survey Number 4220
(f) √ Virginia Lode, Mineral Survey Number 4221

TO HAVE AND TO HOLD the above-mentioned premises and appurtenances unto Lessee for a term of ten (10) years and six (6) months, commencing on the 1st day of August, 1964, and expiring on the 31st day of January, 1975, unless sooner forfeited and terminated, as hereinafter provided.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREIN CONTAINED, the parties hereto agree as follows:

1. Lessee shall enter upon said premises and may work the same in a good and minerlike manner so as to mine the greatest

amount of ore possible with due regard to the development and preservation of the demised premises as a workable mine.

2. Lessee agrees to pay to the Lessor five Hundred Dollars ($500.00) upon execution of this lease and option to purchase agreement. Lessee agrees to pay to the Lessor as royalty, ten percent (10%) of the gross smelter returns produced from ores or concentrates shipped from the leased premises. Settlement shall be made directly to Lessor from the smelter or the mint. A minimum royalty payment of three Hundred Dollars ($300.00) shall be made by Lessee quarterly, commencing November 20, 1964, and continuing on the 20th of every third month thereafter throughout the term of this lease. All payments of royalty made as provided hereunder during the continuance of this agreement shall apply as a credit upon payment of the purchase price for the same premises, as hereinafter provided.

3. Lessee may install, maintain, replace and remove during the term of this agreement any and all mining machinery, equipment, tools and facilities now or subsequently placed thereon and which it may desire for use on or in connection with its operations hereunder on the said premises. Lessee shall pay in full for all labor performed upon or material furnished to the said premises at the instance or request of the Lessee, and shall keep the whole thereof free and clear from any and all liens of mechanics or materialmen. Lessee shall post, and keep posted, upon said premises notice to the effect that same are leased and that Lessor shall not, nor will said premises, be liable for any labor performed upon or materials furnished to the said premises at the instance or request of the Lessee. Lessee agrees to maintain adequate workmen's compensation insurance under the laws of the state of Nevada, holding Lessor harmless from any accidents to its employees upon said leased premises, and to furnish Lessor evidence of such insurance coverage forthwith upon the hiring of any employees, and in any event within thirty (30) days after the date of the execution of this lease and option to purchase agreement. Lessee also agrees to provide adequate liability insurance in an amount not less than One Hundred Thousand Dollars ($100,000.00) for injury or death to one person and Three Hundred Thousand Dollars ($300,000.00) for injuries or death arising from one accident, which public liability insurance shall name Lessors as a co-insured. A certificate evidencing said insurance shall be delivered to Lessor within thirty (30) days after the execution of this lease and option to purchase.

4. Lessee agrees to pay all taxes levied and assessed upon the leased premises or any part thereof, including taxes measured on production and also including taxes levied and assessed on improvements placed upon the leased premises by Lessee during the continuance of this agreement, commencing with taxes for the current year, and to make payment thereof, as required by the statutes of the state of Nevada so that no default in taxes upon the leased premises shall occur, and to deliver to Lessor, upon request, proof of payment of such taxes. Should Lessee be in possession, under this lease, for only a portion of a

year, the tax for that year shall be pro-rated between the Lessor and Lessee on the basis of taxes for the last preceding year.

5. In the event of termination of this lease by expiration of the term hereof, or for any reason whatsoever, the Lessee agrees to surrender the leased premises to the Lessor in good condition. The Lessee, however, shall have the right to remove machinery and equipment placed by it within the leased premises, including receivers and cables, but Lessee shall not remove headframe, hoist house, rails, pipes and ore bins above ground and any timber, pipes and rails beneath the collar. The Lessee shall have the right to effect the removal of such machinery and equipment prior to the expiration of this lease, or within ninety (90) days thereafter, weather permitting. Any such machinery or equipment not removed prior to the expiration of said period of ninety (90) days following termination of said lease, shall be deemed affixed to the leased premises and become and remain the property of the Lessor. In the event of termination of this lease by expiration of the term hereof, or for any reason whatsoever, the Lessee agrees to furnish to Lessor a copy of all engineering data and records including drill holes, logs, geologic reports, assay data and maps.

6. If for any reason there shall be default on the part of Lessee, and Lessee shall fail or refuse to comply with any of the terms or provisions hereof, then at the option of Lessor, Lessor may give notice in writing to Lessee of such defaults, specifying the nature and character thereof, and unless the default shall be corrected within sixty (60) days after the receipt by the Lessee of such notice, then at the option of Lessor this lease and all rights thereunder of Lessee shall be terminated and Lessee shall quietly and peaceably surrender the said premises unto Lessor.

7. At any time during the term of this lease, Lessee may, upon thirty (30) days written notice to Lessor, terminate by delivering possession of the premises to Lessor, pursuant to paragraph five (5), paying to Lessor any unpaid royalties due it, and by delivering to Lessor a recordable instrument of surrender.

8. Lessee agrees to keep accurate books of account showing the operations, and particularly showing ores mined and milled, or mined and shipped by the Lessee, and to permit Lessor or a representative of Lessor to examine such books of account at all times during regular business hours. Lessee shall furnish Lessor with full, true, and accurate information in response to any reasonable request in regard to the condition of underground workings of said premises, or any part thereof, or as to the general quality of ore exposed therein, and allow representatives of Lessor to enter upon and into all parts of said premises from time to time, and at all reasonable times and hours, for the purpose of inspecting or surveying the same, or samples of ore therefrom.

9. Lessee agrees not to remove or mill any mine dumps or

tailings during the first eighteen months of this lease and option to purchase agreement without the written permission of Lessor.

10. In furthern consideration of the covenants herein specified to be kept and performed by Lessee, the Lessor does hereby give and grant unto the Lessee the sole, exclusive and irrevocable right and option to purchase the whole of the leased premises described herein, on or at any time prior to January 31, 1975, at and for the purchase price in the amount of One Hundred Thousand Dollars ($100,000.00) without interest thereon, payable in installments annually of Ten Thousand Dollars ($10,000.00), the first payment payable on the 31st day of January, 1966. Each royalty payment made to the Lessor by the Lessee, in accordance with the Lease hereinabove provided, shall be applied against and be a credit upon the said purchase price, but the Five Hundred Dollars ($500.00) received pursuant to paragraph 2. above shall not be so applied.

If during the period of this option, Lessee shall elect to exercise the same, it may do so by full payment of total purchase price at any time.

11. Notices hereunder shall be deemed sufficiently given when deposited in the United States Mail, postage prepaid, registered, return receipt requested, and addressed as follows:

To LESSOR: 11272 San Pablo Avenue
El Cerrito, California
(Contra Costa County)

To LESSEE: Post Office Box 8063
University Station
Reno, Nevada
(Washoe County)

or at such other address as either party may designate by proper written notice.

12. This option and the lease which precedes it form a part of one and the same instrument, and the termination and cancellation of said lease, either voluntarily or by virtue of Lessee's default shall also cancel the option.

13. Whenever the time for performance of any act hereunder is limited and the performance thereof is hindered, prevented or delayed by any factor or circumstance beyond the reasonable control of the party obliged to perform and which said party could not have avoided by the use of due diligence, such as acts of God, fire, floods, unusually severe winter weather, strike or labor troubles, breakage of machinery, inability to obtain necessary materials, supplies or labor interruptions in delivery or transportation, shortage of railroad cars, insurrections or mob violence, regulations, orders or requirements of the Government, embargoes, war or other disabling causes, whether similar or different, then the time for the performance of any such act

or obligation shall be extended for a period equal to the extent of such delay.

This paragraph shall not be applicable to Lessee's obligations to provide insurance as provided herein.

14. This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, estates and personal representatives thereof.

15. Lessee agrees it will not assign this lease or any right or interest herein (and in the event that there shall be more than one Lessee it is agreed that no Lessee shall assign his interest to the other), or mortgage or hypothecate this lease, or any interest herein, or sublet the demised premises in whole or in part, without written consent of the Lessor having first been had and obtained. No consent to any assignment of this lease, or any subletting shall constitute a waiver of the provisions hereof; nor shall this lease nor any interest herein be assigned for benefit of creditors or be assignable by action of law including bankruptcy or any proceeding under any provisions whatsoever of the bankruptcy act now or hereafter existing both involuntary and voluntary, and no Trustee, Sheriff, Creditor or Purchaser at any judicial sale, or any officer of court shall acquire any right under this lease or to the possession of these premises except with the written consent of the Lessor; any violation hereof shall at the option of Lessor constitute a breach of this lease. Any assignment by Lessee for benefit of his creditors or insolvency of Lessee at the option of Lessor may be deemed a breach of this lease.

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

GREAT BASIN EXPLORATION COMPANY,
a co-partnership

By Alexander von Hoffler

By Anthony L. Payne

"Lessee"

Gabriel Relich
Gabriel Relich

Violet Relich
Violet Relich

Victor Relich, M.D.
Victor Relich, M.D.

Virginia Relich
Virginia Relich

"Lessor"

State of California
City & Co. of San Francisco
Alexander von Hoffler only
Subscribed & sworn to
before me this 28 day of August - 1964
Barbara Call

BARBARA CALL
My Commission Expires Feb. 3, 1965
NOTARY PUBLIC IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA

State of Nevada
County of Washoe
Anthony L. Payne only
John C. Lemaire
Notary Public

STATE OF NEW YORK)
COUNTY OF QUEENS)
THIS 22ND DAY OF AUGUST 1964
Joseph Maresca

JOSEPH MARESCA
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2526500
Qualified in Queens County
Term Expires March 30, 1965

STATE OF CALIFORNIA
CONTRA COSTA COUNTY
EL CERRITO, AUG. 26, 1964
Angelo A. Lecce

ANGELO A. LECCE, Notary Public
My Commission Expires [illegible] 13, 1966

MINING LEASE

WITH OPTION TO PURCHASE

THIS AGREEMENT OF LEASE AND OPTION, made and entered into this 21st day of October, 1964, by and between F. A. JUNGQUIST, of 527 South Lucerne, Los Angeles County, Los Angeles, California, hereinafter referred to as "LESSOR" and GREAT BASIN EXPLORATION COMPANY, a co-partnership of Reno, Washoe County, Nevada, hereinafter referred to as "LESSEE";

WITNESSETH: That the LESSOR, for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed and by the LESSEE to be kept and performed, hereby leases, demises and lets to the LESSEE the whole of the patented mining claims, and structures and equipment thereon, owned by LESSOR situated in the Esmeralda (Aurora) Mining District, County of Mineral, State of Nevada, to-wit:

(a) ✓ Radical Lode, Mineral Survey Number 37
(b) Bald Eagle Lode, Mineral Survey Number 39
(c) Monarch Lode, Mineral Survey Number 4220
(d) ✓ Seminole Lode, Mineral Survey Number 4220

TO HAVE AND TO HOLD the above-mentioned premises and appurtenances unto LESSEE for a term of ten (10) years and six (6) months, commencing on the twenty-first day of October, 1964, and expiring on the twenty-first day of April, 1975, unless sooner forfeited and terminated, as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. LESSEE shall enter upon said premises and shall diligently work the same in a good and minerlike manner so as to mine the greatest amount of ore possible with due regard to the development and preservation of the demised premises as a workable mine.

2. (a) LESSEE agrees to pay to the LESSOR as rent for the use and possession of the demised premises the aggregate sum of twelve thousand six hundred dollars ($12,600.00), payable as follows:

Installments of three hundred dollars ($300.00), each commencing on the day of the execution of this Lease and on the twenty-first day of January, April, July and October of each year throughout the term of this Lease and until the aggregate amount of twelve thousand six hundred dollars ($12,600.00) shall have been paid.

(b) LESSEE agrees to pay to the LESSOR as royalty ten percent (10%) of the gross of bullion produced from ores or concentrates mined and/or shipped from the said leased premises. LESSEE will cause settlement to be made directly to LESSOR from the smelter, or the mint. Such settlements shall be made quarterly throughout the term of this Lease.

(c) It is provided, however, that if the total aggregate sums of rentals and royalties actually paid or caused to be paid by LESSEE to LESSOR on the twenty-first day of April, 1966, shall amount to a sum less than five thousand dollars ($5,000.00), LESSEE agrees to pay on that date the difference between the total sums actually paid and the sum of five thousand dollars ($5,000.00), and on the twenty-first day of April of each and every remaining calendar year of this term a similar calculation shall be made and if the total sums paid by LESSEE to LESSOR for the year immediately preceding is less than five thousand dollars ($5,000.00), such deficiency shall then and there be paid by LESSEE to LESSOR.

(d) Provided further that if and when during the term of this Lease the total sum of all payments made by LESSEE to LESSOR shall amount to the aggregate sum of fifty thousand dollars ($50,000.00), LESSOR promises and agrees to transfer and convey unto LESSEE upon LESSEE's demand all of his rights, titles and interest in and to said demised premises and said lease shall thereupon be terminated.

(e) The LESSEE has the right and option at any time during the term of this lease to purchase from LESSOR all LESSOR's rights, titles and interests in and to said demised premises upon payment to LESSOR of a sum of money which added to the aggregate sums theretofore paid to LESSOR under sub-paragraphs of this second (2nd) paragraph shall amount to the total sum of fifty thousand dollars ($50,000.00). And upon such payment the LESSOR promises and agrees to transfer and convey all of his rights, titles and interests in and to the demised premises to LESSEE. Thereupon this lease shall be terminated.

3. LESSOR represents and warrants that the patented mining claims are all in good standing, subsisting and valid at the date hereof, and are free and clear of all liens, encumbrances and leases and claims of third parties.

4. LESSEE may install, maintain, replace and remove during the term of this agreement any and all mining machinery, equipment, tools and facilities now or subsequently placed thereon and which it may desire for use on or in connection with its operations hereunder on the said premises. LESSEE shall pay in full for all labor performed upon or material furnished to the said premises at the instance or request of the LESSEE, and shall keep the whole thereof free and clear from any and all liens of mechanics or

materialmen. LESSEE shall post, and shall record an affidavit of posting as required by law, and keep posted, upon said premises notice to the effect that same are leased and that LESSOR shall not, nor will said premises, be liable for any labor performed upon or materials furnished to the said premises at the instance or request of the LESSEE. LESSEE agrees to maintain adequate workmen's compensation insurance under the laws of the state of Nevada, holding LESSOR harmless from any accidents to its employees upon said leased premises, and to furnish LESSOR evidence of such insurance coverage within twenty (20) days after the date of execution of this lease and option to purchase agreement.

5. LESSEE agrees to pay all taxes levied and assessed before delinquency upon the leased premises or any part thereof, including taxes measured on production and also including taxes levied and assessed on improvements placed upon the leased premises by LESSEE during the continuance of this Agreement commencing with taxes for the current year, and to make payment thereof, as required by the statutes of the state of Nevada so that no default in taxes upon the leased premises shall occur, and to deliver to LESSOR, upon request, proof of payment of such taxes. Should LESSEE be in possession, under this lease, for only a portion of a year, the tax for that year shall be pro-rated between the LESSOR and LESSEE on the basis of taxes for the last preceding year.

6. In the event of termination of this lease by expiration of the term hereof, or for any reason whatsoever, the LESSEE agrees to surrender the leased premises to the LESSOR in good condition. The LESSEE, however, shall have the right to remove machinery and equipment placed by it within the leased premises, including track, pipe, receivers and cables, but LESSEE shall leave all timber, chutes and ladders in place, and in good condition. The LESSEE shall have the right to effect the removal of such machinery or equipment not removed prior to the expiration of this lease, or within one hundred and twenty (120) days thereafter. Any such machinery or equipment not removed prior to the expiration of said period of one hundred and twenty (120) days following termination of said lease, shall be deemed affixed to the leased premises and shall become and remain the property of the LESSOR.

7. If for any reason there shall be default on the part of LESSEE, and LESSEE shall fail or refuse to comply with any of the terms or provisions hereof, then at the option of LESSOR, LESSOR may give notice in writing to LESSEE of such default, specifying the nature and character thereof, and unless the default shall be corrected within ninety (90) days after the receipt by the LESSEE of such notice, then at the option of LESSOR this lease and all rights thereunder of LESSEE shall be terminated and LESSEE shall quietly and peaceably surrender the said premises unto LESSOR.

8. At any time during the term of this lease, if LESSEE is not in default of the terms hereunder, LESSEE may, upon thirty (30) days written notice to LESSOR, terminate by delivering possession of the premises to LESSOR, delivering to LESSOR a copy of all engineering data and records including drill holes, logs, geologic reports, assay data and maps, paying to LESSOR any unpaid royalties due it, and by delivering to LESSOR a recordable instrument of surrander. Upon such termination LESSEE shall be relieved of the performance of any and all other covenants thereafter to accrue hereunder and the LESSOR shall retain all moneys theretofore paid

to him.

9. LESSEE agrees to keep accurate books of account showing the operations, and particularly showing ores mined and milled, or mined and shipped by the LESSEE, and to permit a representative of LESSOR to examine such books or account; LESSEE shall furnish LESSOR with full, true, and accurate information in response to any reasonable request in regard to the condition of underground workings of said premises, or any part thereof, or as to the general quality of ore exposed therein, and allow representatives of LESSOR to enter upon and into all parts of said premises from time to time, and at all reasonable times and hours, for the purpose of inspecting or surveying the same, or taking samples of ore therefrom.

10. Notices hereunder shall be deemed sufficiently given when deposited in the United States Mail, postage prepaid, registered, return receipt requested, and addressed as follows:

TO LESSOR: Post Office Box 75204
Sanford Station
Los Angeles, Calif. 90005

TO LESSEE: Post Office Box 8063
University Station
Reno, Nevada

or at such other address as either party may designate by proper written notice.

11. This option and the lease which precedes it form a part of one and the same instrument, and the termination and cancellation of said lease, either voluntarily or by virtue of LESSEE's default shall also cancel the option.

12. Whenever the time for performance of work referred to in paragraph (1) hereunder is limited and the performance thereof is hindered, prevented or delayed by any factor or circumstance beyond the reasonable control of the party obliged to perform and which said party could not have avoided by the use of due diligence, such as acts of God, fire, floods, unusually severe winter weather, strike or labor troubles, breakage of machinery, inability to obtain necessary materials, supplies or labor interruptions in delivery or transportation, shortage of railroad cars, insurrections or mob violence, regulations, orders or requirements of the Government, embargoes, wars or other disabling causes, whether similar or different, then the time for the performance of work under paragraph (1) hereunder shall be extended for a period equal to the extent of such delay.

13. This mining lease with option to purchase shall not be recorded or filed in any office in which such an instrument may be recorded or filed.

14. No assignment of this agreement or any part thereof shall be valid without the written permission of the LESSOR, and said permission shall be written on this said lease and option.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors, and assigns, estates and personal representatives thereof.

This page is accepted and approved by

Anthony L. Payne
Anthony L. Payne

F. A. Jungquist
F. A. Jungquist

Alexander von Hafften
Alexander von Hafften
A.L.P. October 28, 1964
Date A.vH. November 2, 1964

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

LESSOR

F. A. Jungquist

LESSEE

GREAT BASIN EXPLORATION COMPANY,
a co-partnership

By: Alexander von Hafften
Alexander von Hafften

By: Anthony L. Payne
Anthony L. Payne

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On this day of October, 1964, personally appeared before me, a Notary Public in and for the County of Los Angeles, State of California, F. A. JUNGQUIST, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he 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 the day and year in this certificate first above written.

Andrew Tobb Jr.
Notary Public in and for the
County of Los Angeles,
State of California

My Commission expires October 19, 1968

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN FRANCISCO)

On this 22 day of October, 1964, personally appeared before me, a Notary Public in and for the County of San Francisco, State of California, ALEXANDER VON HAFFTEN, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he 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 the day and year in this certificate first above written.

Barbara Call
Notary Public in and for the
County of San Francisco,
State of California

BARBARA CALL
My Commission Expires Feb. 3, 1965

My Commission expires

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

On this 23 day of October, 1964, personally appeared before me, a Notary Public in and for the County of Washoe, State of Nevada, ANTHONY L. PAYNE, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he 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 the day and year in this certificate first above written.

John C. Gonzalez
Notary Public in and for the County of Washoe, State of Nevada.

My Commission expires The Commission Expires June 10, 1967

Attachment 2aIII

CERTIFICATE OF MINING LOCATION

TO ALL WHOM IT MAY CONCERN:

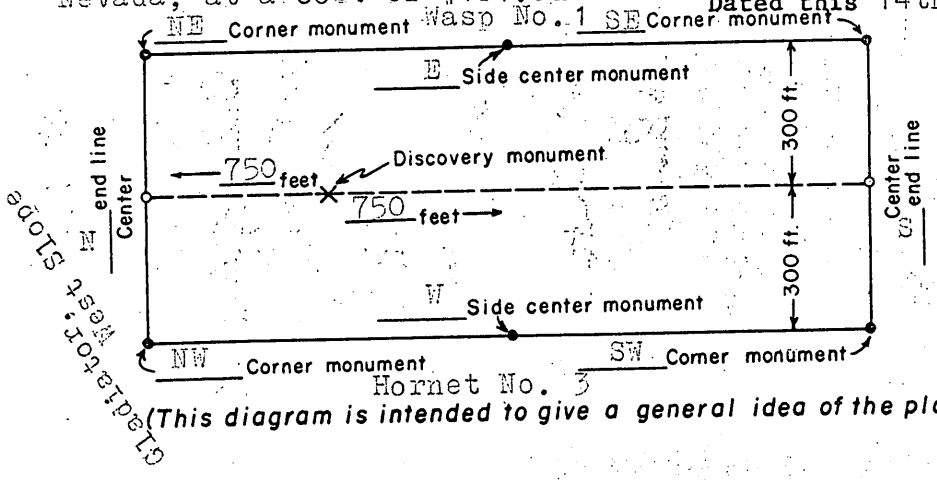
The undersigned hereby certifies that he has located the Wasp No. 2 Mining Claim in the Esmeralda (Aurora) Mining District, in Mineral County, in the State of Nevada, on the 18th day of May, 1965.

The length of the claim is 1500 feet, and 750 feet is claimed in a N 13°54' W direction and 750 feet in a S 13°54' E direction from the discovery monument, at which the notice of location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north-northwest to the south-southeast.

The location of the claim is described with reference to the public land subdivisions. The ¼ corner common to Secs. 19 and 30, T. 5 N., R. 28 E. lies N 19°26' E 2809.1 feet from the discovery monument. This claim is bounded on the east by the Wasp No. 1, on the west by the Hornet No. 3, and on the northwest by the Gladiator (Sur. No. 4220) and West Slope (Sur. No. 4087) claims.

The surface boundaries of the claim are marked upon the ground as follows: Beginning at a point in a N 13°54' W direction 750 feet from the discovery monument (at which the notice of location is posted), being in the center of the north end line of said claim; thence S 76°06'W 300 feet to a wooden post being the northwest corner of said claim; thence S 13°54'E 750 feet to a wooden post being at the center of the west side line; thence S 13°54'E 750 feet to a wooden post being the southwest corner of said claim; thence N 76°06'E 300 feet to the center of the south end line of said claim; thence N 76°06'E 300 feet to a wooden post being the southeast corner of said claim; thence N 13°54'W 750 feet to a wooden post being at the center of the east side line; thence N 13°54'W 750 feet to a wooden post being the northeast corner of said claim; thence S 76°06'W 300 feet to the center of the north end line of said claim, at the place of beginning. Metal tags, marked with appropriate corner descriptions, as described above, are affixed to the monuments. The boundaries of the claim were completed June 6th, 1965.

A description and the location of the work done upon the claim and the cost thereof is as follows: five trenches were excavated 100 to 300 feet south of the discovery monument. They average about 100 feet in length, are of variable depth and are 6 feet in width. In addition 2 parallel northwest-southeast trenches were excavated approximately 100 feet north of the discovery monument, about 100 feet each in length, of variable depth, and 6 feet in width. The work was performed by Ralph O. Collins, Contractor, 5852 Mt. Rose Highway, Reno, Nevada, at a cost of $101.00. Dated this 14th day of July, 1965.



(This diagram is intended to give a general idea of the plan of location)

Richard A. Hughes
Locator

Richard A. Hughes
Box 8697 University Station
Reno, Nevada

Attachment 2aIII

#102 2.47 9-22-64 A.L. Payne

CERTIFICATE OF MINING LOCATION

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies that he has located the Wasp No. 1 Mining Claim in the Aurora (Esmeralda) Mining District, in Mineral County, in the State of Nevada, on the 25th day of June, 1964.

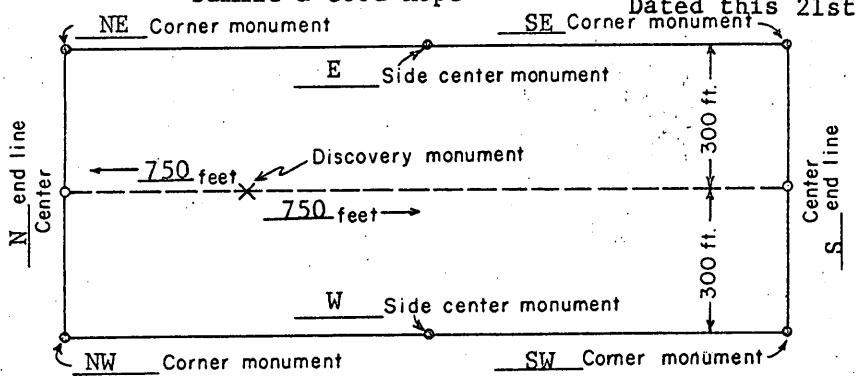
The length of the claim is 1500 feet, and 750 feet is claimed in a N 13°54'W direction and 750 feet in a S 13°54' E direction from the discovery monument, at which the notice of location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north northwest to the south southeast

The location of the claim is described with reference to the subdivision of the public land survey. The northeast corner of the Wasp No. 1 claim is situated 1,022 feet, S 8°03' W from the 1/4 corner common to sections 19 & 20, T. 5 N., R 28 E. This claim is bounded on the northeast by the Good Hope and Summit patented (Sur. No. 4087) claims. The east side center of this claim is at the No. 6 corner of the Good Hope claim. The Wasp No. 1 lies in the SE 1/4 of Sec. 19, T. 5 N., R. 28 E.

The surface boundaries of the claim are marked upon the ground as follows: Beginning at a point in a S 13°54' E direction 750 feet from the discovery monument (at which the notice of location is posted), being in the center of the south end line of said claim; thence N 76°06' E 300 feet to a wooden post being the southeast corner of said claim; thence N 13°54" W750 feet to a wooden post being at the center of the east side line; thence N 13°54' W 750 feet to a wooden post being the northeast corner of said claim; thence S 76°06' W 300 feet to the center of the north end line of said claim; thence S 76°06' W 300 feet to a wooden post being the northwest corner of said claim; thence S 13°54'E 750 feet to a wooden post being at the center of the west side line; thence S 13°54' E 750 feet to a wooden post being the southwest corner of said claim; thence N 76°06' E 300 feet to the center of the south end line of said claim, at the place of beginning. Metal tags, marked with appropriate corner descriptions, as described above, are affixed to the monuments. The boundaries of the claim were completed June 25th, 1964.

A description and the location of the work done upon the claim and the cost thereof is as follows: A 4 feet by 6 feet discovery shaft has been sunk to a depth of 10 feet at the discovery monument of the claim at a cost of at least $100.00.

Summit & Good Hope



(This diagram is intended to give a general idea of the plan of location)

Dated this 21st day of September, 1964.

Anthony L. Payne
Locator

Anthony L. Payne
Box 8063
University Station
Reno, Nevada 89507

CERTIFICATE OF MINING LOCATION

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies that he has located the Hornet No. 3 Mining Claim in the Esmeralda (Aurora) Mining District, in Mineral County, in the State of Nevada, on the 18th day of May, 1965.

The length of the claim is 1500 feet, and 120 feet is claimed in a N 3°25' E direction and 1380 feet in a S 3°45' W direction from the discovery monument, at which the notice of location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north to the south.

The location of the claim is described with reference to the public land subdivisions. The ¼ corner common to Secs. 19 and 30, T. 5 N., R. 28 E. lies S 63°29'W 1728.7 feet from the discovery monument. This claim is bounded on the west by the Hornet No. 1, on the east by the Wasp No. 2, and on the south by the Hornet No. 2 mining claims.

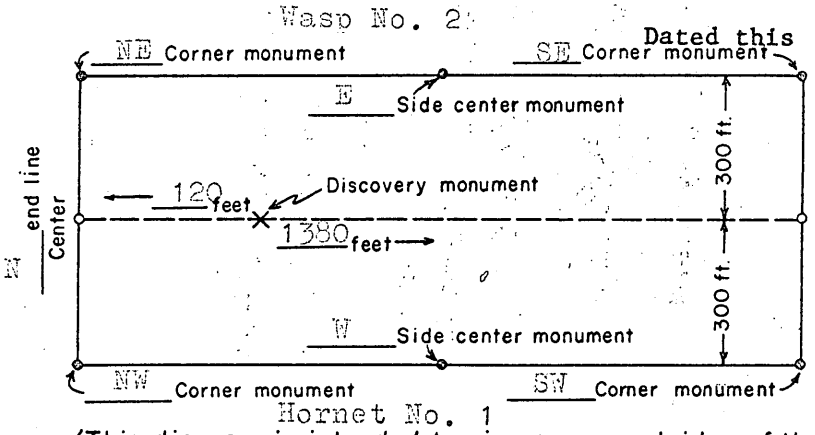
The surface boundaries of the claim are marked upon the ground as follows: Beginning at a point in a N 3°45' E direction 120 feet from the discovery monument (at which the notice of location is posted), being in the center of the north end line of said claim; thence N 86°15'W 300 feet to a wooden post being the northwest corner of said claim; thence S 3°45'W 750 feet to a wooden post being at the center of the west side line; thence S 3°45' W 750 feet to a wooden post being the southwest corner of said claim; thence S 86°15'E 300 feet to the center of the south end line of said claim; thence S 86°15'E 300 feet to a wooden post being the southeast corner of said claim; thence N 3°45'E 750 feet to a wooden post being at the center of the east side line; thence N 3°45'E 750 feet to a wooden post being the northeast corner of said claim; thence N 86°15'W 300 feet to the center of the north end line of said claim, at the place of beginning. Metal tags, marked with appropriate corner descriptions, as described above, are affixed to the monuments. The boundaries of the claim were completed June 6th, 1965.

A description and the location of the work done upon the claim and the cost thereof is as follows: five trenches were excavated at the northeast corner of the Hornet No. 3 claim. The trenches are of variable depth, average about 100 feet in length, and are 6 feet in width. Said work was performed by Ralph O. Collins, Contractor, 5852 Mt. Rose Highway, Reno, Nevada, at a cost of $101.50.

Dated this 14th day of July, 1965.

Richard A. Hughes
Locator

Richard A. Hughes
Box 8697 University Station
Reno, Nevada



(This diagram is intended to give a general idea of the plan of location)

CERTIFICATE OF MINING LOCATION

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies that he has located the Hornet No. 2 Mining Claim in the Esmeralda (Aurora) Mining District, in Mineral County, in the State of Nevada, on the 12th day of July, 1964.

The length of the claim is 1500 feet, and 1100 feet is claimed in a N 86°15' W direction and 400 feet in a S 86°15' E direction from the discovery monument, at which the notice of location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the east to the west.

The location of the claim is described with reference to the Virginia patented (Sur. No. 4221) mining claim. The northwest corner of this claim lies 603.2 feet in a N 86°15' W direction from corner No. 3 of the Virginia patented claim. This claim is bounded on the west by the Black Hawk patented claim, on the northwest by the Radical patented mining claim, on the southwest by the Esmeralda patented mining claim, and on the north by Virginia patented mining claim & the Hornet No. 1 claim. This claim lies in the NE 1/4 of Sec. 30, T. 5 N., R. 28 E.

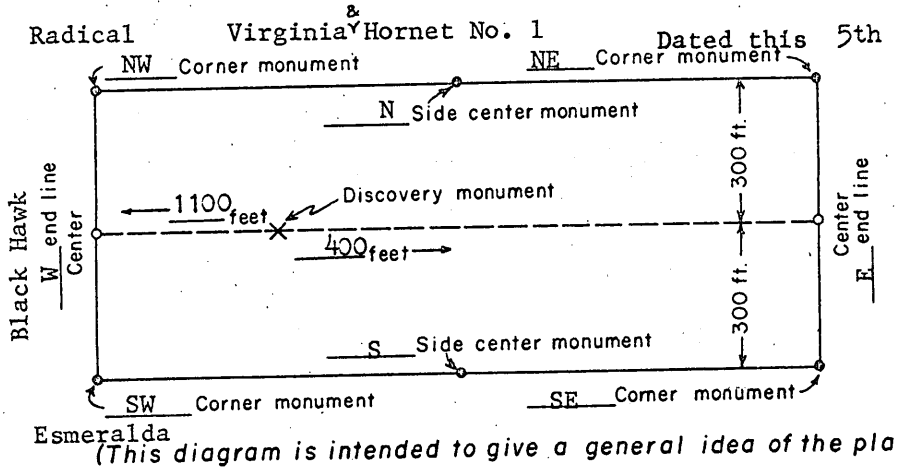
The surface boundaries of the claim are marked upon the ground as follows: Beginning at a point in a N 86°15' W direction 1100 feet from the discovery monument (at which the notice of location is posted), being in the center of the west end line of said claim; thence N 3°45' E 300 feet to a wooden post being the northwest corner of said claim; thence S 86°15' E 750 feet to a wooden post being at the center of the north side line; thence S 86°15' E 750 feet to a wooden post being the northeast corner of said claim; thence S 3°45' W 300 feet to the center of the east end line of said claim; thence S 3°45' W 300 feet to a wooden post being the southeast corner of said claim; thence N 86°15' W 750 feet to a wooden post being at the center of the south side line; thence N 86°15' W 750 feet to a wooden post being the southwest corner of said claim; thence N 3°45' E 300 feet to the center of the west end line of said claim, at the place of beginning. Metal tags, marked with appropriate corner descriptions, as described above, are affixed to the monuments. The boundaries of the claim were completed July 12, 1964.

A description and the location of the work done upon the claim and the cost thereof is as follows: A 4 ft. X 6 ft. shaft was excavated to a depth of 10 feet at the point of discovery at a cost of ~~$1~~ at least $ 100.00. The work was performed by Lyle Johnson, 2707 Airport Rd., Carson City, Nevada.

Dated this 5th day of October, 1964.

Anthony L. Payne
Locator

Anthony L. Payne
P. O. Box 8063
University Station
Reno, Nevada



(This diagram is intended to give a general idea of the plan of location)

CERTIFICATE OF MINING LOCATION

TO ALL WHOM IT MAY CONCERN:

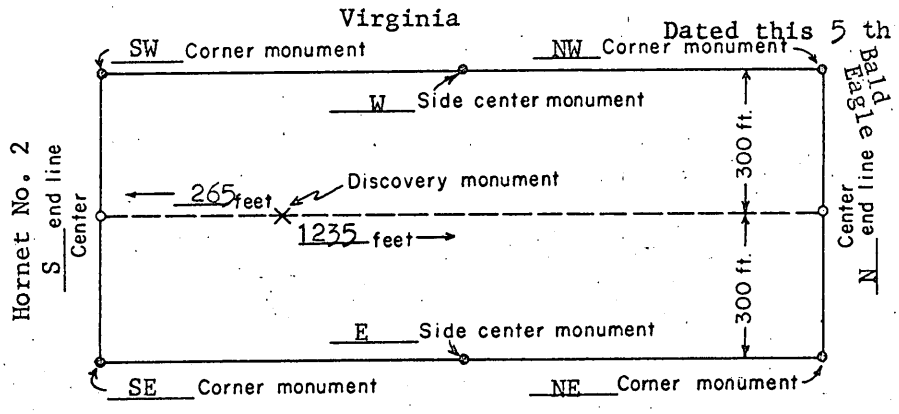
The undersigned hereby certifies that he has located the Hornet No. 1 Mining Claim in the Esmeralda (Aurora) Mining District, in Mineral County, in the State of Nevada, on the 12th day of July, 1964.

The length of the claim is 1500 feet, and 1235 feet is claimed in a N 3°45' E direction and 265 feet in a S 3°45' W direction from the discovery monument, at which the notice of location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north to the south.

The location of the claim is described with reference to Virginia patented (Sur. No. 4221) mining claim. The southwest corner of the Hornet No. 1 is at corner No. 3 of the Virginia patented claim. This claim is bounded on the west by the Virginia patented claim, on the northwest by the Bald Eagle patented claim, and on the south by the Hornet No. 2 claim. This claim lies in the SE 1/4 Sec. 19 and in the NE 1/4 Sec. 30, T. 5 N., R. 28 E.

The surface boundaries of the claim are marked upon the ground as follows: Beginning at a point in a N 3°45' E direction 1235 feet from the discovery monument (at which the notice of location is posted), being in the center of the north end line of said claim; thence S 86°15' E 300 feet to a wooden post being the northeast corner of said claim; thence S 3°45' W 750 feet to a wooden post being at the center of the east side line; thence S 3°45' W 750 feet to a wooden post being the southeast corner of said claim; thence N 86°15' W 300 feet to the center of the south end line of said claim; thence N 86°15' W 300 feet to a wooden post being the southwest corner of said claim; thence N 3°45' E 750 feet to a wooden post being at the center of the west side line; thence N 3°45' E 750 feet to a wooden post being the northwest corner of said claim; thence S 86°15' E 300 feet to the center of the north end line of said claim, at the place of beginning. Metal tags, marked with appropriate corner descriptions, as described above, are affixed to the monuments. The boundaries of the claim were completed July 12, 1964.

A description and the location of the work done upon the claim and the cost thereof is as follows: a 4 ft. X 6 ft. shaft was excavated to a depth of 10 feet at the point of discovery and the cost of same was at least $100.00. The work was performed by Lyle Johnson, 2707 Airport Rd., Carson City, Nevada.



(This diagram is intended to give a general idea of the plan of location)

Dated this 5th day of October, 1964.

Anthony L. Payne
Locator

Anthony L. Payne
P.O. Box 8063
University Station
Reno, Nevada

D E E D

THIS INDENTURE made this 9th day of August, 1965, by and between RICHARD A. HUGHES, of Reno, Washoe County, Nevada, Party of the First Part, and GREAT BASIN EXPLORATION COMPANY, a co-partnership of Reno, Washoe County, Nevada, Party of the Second Part,

W I T N E S S E T H:

That for and in consideration of the sum of Ten ($10.00) Dollars, lawful money of the United States of America, in hand paid to the Party of the First Part by the Party of the Second Part, the receipt whereof is hereby acknowledged, the Party of the First Part does by these premises grant, bargain, and sell unto the Party of the Second Part, its heirs and assigns, all of the following described un-patented mining claims, located in the Counties of Churchill, Elko, Mineral and Nye, State of Nevada:

18. Wasp No. 2, located in the Aurora Mining District, Mineral County, Nevada, and as recorded in Book 23, Page 317, in Mineral County Mining Locations.

19. Hornet No. 3, located in the Aurora Mining District, Mineral County, Nevada, and as recorded in Book 23, Page 312-313, in Mineral County Mining Locations.

TOGETHER WITH all the dips, spurs, and angles, and also all the metals, ores, gold and silver bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed and also all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances, unto the said Party of the Second Part, their heirs and assigns forever.

IN WITNESS WHEREOF, the said Party of the First Part has hereunto set his hand the day and year first above written.

Richard A. Hughes

RICHARD A. HUGHES

STATE OF NEVADA)
: SS.
COUNTY OF WASHOE)

On this 9th day of August, 1965, personally appeared before me, a Notary Public in and for said County and State, RICHARD A. HUGHES, known to me to be the person described in and who executed the annexed instrument, who acknowledged to me that he 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 the day and year in this certificate first above written.

JOHN C. GONZALES
Notary Public — State of Nevada
Washoe County
My Commission Expires June 23, 1969

John C. Gonzales
Notary Public in and for the County of Washoe, State of Nevada.
My Commission expires: _____

DEED

THIS INDENTURE made this 30th day of December, 1964, by and between ANTHONY L. PAYNE, of Reno, Washoe County, Nevada, Party of the First Part, and GREAT BASIN EXPLORATION COMPANY, a co-partnership of Reno, Washoe County, Nevada, Party of the Second Part,

WITNESSETH:

That for and in consideration of the sum of Ten ($10.00) Dollars, lawful money of the United States of America, in hand paid to the Party of the First Part by the Party of the Second Part, the receipt whereof is hereby acknowledged, the Party of the First Part does by these premises grant, bargain, and sell unto the Party of the Second Part, their heirs and assigns, all of the following described un-patented mining claims, located in the Counties of Mineral and Lyon, State of Nevada:

BISSETT & LOGAR
ATTORNEYS AT LAW
RENO, NEVADA

16. Wasp # 1, located in the Aurora Mining District, Mineral County, Nevada, and as recorded in Book 22, Page 531, in the Mineral County Recorder's Office.

17. Hornet # 1, located in the Aurora Mining District, Mineral County, Nevada, and as recorded in Book 22, Page 550, in the Mineral

BISSETT & LOGAR
ATTORNEYS AT LAW
RENO, NEVADA

County Recorder's Office.

18. Hornet # 2, located in the Aurora Mining District, Mineral County, Nevada, and as recorded in Book 22, Page 551, in the Mineral County Recorder's Office.

TOGETHER WITH all the dips, spurs and angles, and also all the metals, ores, gold and silver bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed and also all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances, unto the said Party of the Second Part, their heirs and assigns forever.

IN WITNESS WHEREOF, the said Party of the First Part has hereunto set his hand the day and year first above written.

Anthony L. Payne

ANTHONY L. PAYNE

BISSETT & LOGAR
ATTORNEYS AT LAW
RENO, NEVADA

STATE OF NEVADA)
: SS.
COUNTY OF Washoe)

On this 30th day of November, 1964, personally appeared before me, a Notary Public in and for said County and State, ANTHONY L. PAYNE, known to me to be the person described in and who executed the annexed instrument, who acknowledged to me that he 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 the day and year in this certificate first above written.

Notary Public in and for the County of Washoe, State of Nevada.
My Commission expires: June 23 1965

Attachment 2aIII

AFFIDAVIT OF ANNUAL ASSESSMENT

(Proof of Labor)

Work on Unpatented Lode Mine Claim

STATE OF NEVADA)
) ss.
County of Mineral)

PROOF OF ANNUAL LABOR ON THE

Wasp No. 1 Lode Mining Claim

TO WHOM IT MAY CONCERN: Please take notice that Anthony L. Payne says that he expended more than $100 for labor and improvements, as the annual assessment work for the year ending September 1, 1965, on the Wasp No. 1 mining claim, situated in the Esmeralda (Aurora) Mining District, Mineral County, Nevada, owned by Great Basin Exploration Company, for the purpose of holding said claim.

Said labor was performed by Lyle A. Johnson, Contractor, 2707 Airport Road, Carson City, Nevada, on October 5th and at a cost of $216.00

Such improvements consisted of excavating three parallel north-south trenches, each about 150 feet in length, spaced 100 feet apart, located between the discovery monument (which is situated at the exact center of the claim), and the east side center of the claim. Said work was performed with JD-500 back hoe.

Dated this 20 day of July, 1965.

Lyle A. Johnson
Lyle A. Johnson, Witness
2707 Airport Road
Carson City, Nevada

Richard A. Hughes
Richard A. Hughes, Witness
P. O. Box 8697 University Station
Reno, Nevada

Anthony L. Payne
Anthony L. Payne, Subscriber
Registered Geological Engineer
Nevada Registration No. 1515
P. O. Box 8063 University Station
Reno, Nevada

Subscribed and sworn to before me
this 20 day of July, 1965:

Geraldine Spencer
Notary Public in and for the
County of Washoe, State of Nevada
My comission expires _____

GERALDINE SPENCER
Notary Public — State of Nevada
Washoe County
My Commission Expires Sept. 2, 1967

SEAL IMPRESSION

AFFIDAVIT OF ANNUAL ASSESSMENT

(Proof of Labor)

Work on Unpatented Lode Mining Claims

STATE OF NEVADA)
) ss.
County of Mineral)

PROOF OF ANNUAL LABOR ON THE

Hornet No. 1 and Hornet No. 2 Mining Claims

TO WHOM IT MAY CONCERN: Please take notice that Anthony L. Payne says that he expended more than $200 for labor and improvements, as the annual assessment work for the year ending September 1, 1965, on the Hornet No. 1 and Hornet No. 2 mining claims, situated in the Esmeralda (Aurora) Mining District, Mineral County, Nevada, owned by Great Basin Exploration Company, for the purpose of holding said claims.

Said labor was performed by Ralph O. Collins, General Contractor, 5852 Mt. Rose Highway, Reno, Nevada, on July 5th, 6th, 7th, 8th and 9th, 1965, at a cost of $[illegible].

Such improvements consisted of constructing a road from the previously existing road in Esmeralda Gulch, beginning near the southeast corner of the Hornet No. 1 claim, thence northwesterly approximately 600 feet to the portal of the Hornet tunnel near the west side line of the claim. Another road was constructed from the previously existing road in Esmeralda Gulch, beginning near the southeast corner of the Hornet No. 2 claim, across the Hornet No. 2 claim a distance of about 2000 feet, ending at the portal of the Black Hawk tunnel, near the northwest corner of the Hornet No. 2 claim.

The Hornet No. 1 claim and Hornet No. 2 claim are contiguous, and the above described work improves and benefits both claims.

Dated this 20 day of July, 1965.

Ralph O. Collins
Ralph O. Collins, Witness
5852 Mt. Rose Highway
Reno, Nevada

Richard A. Hughes
Richard A. Hughes, Witness
P. O. Box 8697 University Station
Reno, Nevada

- -

Anthony L. Payne
Anthony L. Payne, Subscriber
Registered Geological Engineer
Nevada Registration No. 1515
P. O. Box 8063 University Station
Reno, Nevada

Subscribed and sworn to before me this 20 day of July, 1965:

Geraldine Spencer
Notary Public in and for the
County of Washoe, State of Nevada
My commission expires

SEAL IMPRESSION

GERALDINE SPENCER
Notary Public — State of Nevada
Washoe County
My Commission Expires Sept. 2, 1967

Adjacent land owned or controlled by Great Basin Exploration Company, not to be subject to Government royalty and liens.

Relich group (patented lode claims):

The Gladiator Lode (Mineral Survey No. 4220)
Silver Hill Lode (Mineral Survey No. 4220)
Virginia Lode (Mineral Survey No. 4221)

Junquist group (patented lode claims):

Radical Lode (Mineral Survey No. 37)
Bald Eagle Lode (Mineral Survey No. 39)
Monarch Lode (Mineral Survey No. 4220)
Seminole Lode (Mineral Survey No. 4220)

Great Basin Exploration Company (unpatented lode locations):

Wasp No. 1, Located June 25, 1965, by Anthony L. Payne, Recorded September 22, 1964, Book 22, Pages 531-532 of Mining Locations, deeded to Great Basin Exploration Company December 30, 1964. Proof of Labor for Assessment year ending September 1, 1965, recorded July 22, 1965, Book 1, Page 15, File No. 80296 (copy enclosed).

Wasp No. 2, Located May 18, 1965, by Richard A. Hughes, Recorded July 15, 1965, Book 23, Page 317 of Mining Locations, deeded to Great Basin Exploration Company August 9, 1965.

Hornet No. 1, Located July 12, 1964, by Anthony L. Payne, Recorded October 6, 1964, Pages 550-551, Book 22 of Mining Locations, deeded to Great Basin Exploration Company December 30, 1964. Proof of Labor for Assessment year ending September 1, 1965 recorded July 22, 1965, Book 1, Page 16, File No. 80297 (copy enclosed).

Hornet No. 2, Located July 12, 1964, by Anthony L. Payne, Recorded October 6, 1964, Pages 551-552, Book 22 of Mining Locations, deeded to Great Basin Exploration Company December 30, 1964. Proof of Labor for Assessment year ending September 1, 1965, recorded July 22, 1965, Book 1, Page 16, File No. 80297 (copy enclosed).

Hornet No. 3, Located May 18, 1965, by Richard A. Hughes, Recorded July 15, 1965, Pages 312-313, Book 23 of Mining Locations, deeded to Great Basin Exploration Company August 9, 1965.

Copies of the MME Form 52 covering the Black Hawk, Wyandott, and Spotted Tiger claims, or a letter of refusal, will be sent within the next few days.

Operating experience and background of Anthony L. Payne, who will supervise the proposed exploration project.

Anthony L. Payne - Born December 25, 1927, Delta, Utah. Single. Good health. Hon. Disch. Veteran World War II.

Education: B. S. in Geology, University of Utah, 1949.
M. S. in Mineralogy with minor in Geophysics and Mining Engineering, University of Utah, 1950.
Ph.D. in Geology, Stanford University, 1959.

Experience:

1959-Present. Consulting mining geologist, Reno, Nevada. Consulting work in mining in Canada, western United States and Mexico. Associate Professor of Mineral Exploration, Chairman of Mining Department, Mackay School of Mines, University of Nevada, Reno.

Chairman of Geochemistry Unit, Society of Mining Engineers, American Institute of Mining and Metallurgical Engineers. Member of Executive Board, Society of Mining Engineers. American Institute of Mining and Metallurgical Engineers.

Registered Professional Geological Engineer, Nevada No. 1515.

1955-1959. Consulting mining geologist, Shenon and Full, mining geologists, Salt Lake City, Utah. In charge of Colorado office, mineral exploration work in Colorado, Utah, New Mexico, and Arizona. Dr. Philip J. Shenon.

1954-1955. Graduate student in Economic Geology, Stanford University. Dr. Charles F. Park, Jr.

2 1952-1954. Resident geologist, Matahambre Copper Mine, Minas de Matahambre, Cuba. Dr. Ernesto Romagosa.

1 1951-1952. Exploration geologist, Southwest Mining Division, American Smelting and Refining Company, Tucson, Arizona. Mr. Kenyon Richard.

1 1950-1951. Resident geologist, Quiruvilca Copper Mine, Northern Peru, American Smelting and Refining Company, Samne, Peru. Dr. Walter Landwehr (retired in Menlo Park, California).

1948-1949. Geologist, Section of Mineral Deposits, United States Geological Survey. Summer vacations 1948 and 1949. Montana and central Colorado mining projects. Dr. Ogden Tweto.

1947. Geologic field assistant (sampler), Section of Mineral Deposits, United States Geological Survey. Summer vacation 1947. Idaho phosphate project. Dr. Vincent McKelvey.

1945-1946. Naval Aviation Cadet, Corpus Christi Texas, in flight training at close of World War II hostilities.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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Memorandum April 17, 1967

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6500(Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Enclosed is a summary-type Final Field Report for the subject project.

H. K. Stager

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

April 17, 1967

1. OME-6500 (Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Operator: Great Basin Exploration Company
Box 8063, University Station
Reno, Nevada 89507

Property: Consists of six patented claims, including all rights pertaining thereto, in sec. 19, T. 5 N., R. 28 E., MDBM, Aurora mining district, Nevada. A map showing these six claims was attached to the contract.

Ownership: The Operator is in possession of the Radical and Seminole claims by virtue of a Mining Lease with Option to Purchase, dated October 21, 1964, from F. A. Jungquist.

The Operator is in possession of the Spotted Tiger, Black Hawk, Wyandott, and Virginia claims by virtue of a Mining Lease with Option to Purchase, dated August 27, 1964, from Gabriel Relich and Violet Relich, his wife, and Victor Relich and Virginia Relich, his wife.

A Performance Bond, in lieu of Consent to Lien and Subordination Agreements, for $20,625.00, issued by the Continental Casualty Co., 433 California St., San Francisco, Calif., was attached to the contract.

2. Purpose of Project: The purpose of the project was to explore by crosscutting, drifting, and long-hole drilling from the Black Hawk adit an arsenic anomaly for silver- and gold-bearing ore bodies in the immediate hanging wall area of the Spotted Tiger vein which traverses Tertiary volcanics.

3. Contract: Dated December 30, 1965, for a term of 12 months.
Original contract amount - $33,000.00
Government participation - 62½ percent, $20,625.00

Amendments

No. 1 - April 21, 1966, to allow the costs of enlarging and regrading part of the old Black Hawk adit discovered after rehabilitation work had started.

No. 2 - June 23, 1966, reduced the amount of drifting and timbering and increased the allowable costs for long-hole drilling.

FIELD FINAL REPT

4. Project Work: Started - February 23, 1966. Completed - September 1966.

Cost Items	Units	Rate	Amount	Completed Units	Completed Amount
Mobilization and demobilization of bulldozer	1	$200.	$ 200.00	1	$ 200.00
Road repair, camp site and portal preparation	63	$16/hr	1,008.00	63	1,008.00
Road repair, labor, material and supplies	1	$624.	624.00	1	624.00
Water supply, tanks and pump	1	$200.	200.00	1	200.00
Powder magazine	1	$350.	350.00	1	350.00
Tool shed	1	$170.	170.00	1	170.00
Rehabilitation, Black Hawk adit	1	$1,375.	1,375.00	1	1,375.00
Enlarge Black Hawk adit	135	$16.85/ft	2,275.00	135	2,274.75
Drifting and crosscutting	405	$35/ft	14,175.00	405	14,175.00
Drill stations	9	$100/ea	900.00	9	900.00
Long-hole drilling	2,300	$3.10/ft	7,130.00	1,800	5,580.00
Trailer rental (2)	6	$90/mo/ea	1,080.00	6	1,080.00
Mobilization and demobilization of trailers	2	$120/ea	240.00	2	240.00
Utilities for trailers (2)	6	$4/mo/ea	48.00	6	48.00
Assays, drift samples	66	$6/ea	396.00	66	396.00
Assays, long-hole samples	290	$4/ea	1,160.00	290	1,160.00
Mobilization and demobilization of loader	1	$100.	100.00	1	100.00
Rental, fuel, upkeep of loader	6	$260/mo	1,560.00	6	1,560.00
Total amounts (as amended)			$32,991.00		$31,440.75
Government participation at 62½ percent					$19,650.47

The Government retained no equity in any of the equipment or supplies used.

Effectiveness of the work - The target area was adequately explored.

Efficiency of Operation - The entire project was accomplished in an efficient and satisfactory manner.

5. Reports:

Operator's Final Report - An acceptable Final Report was received on November 14, 1966.

Cost Review - A Report of Review was issued by the Office of Survey and Review in November 1966.

Final Audit - A final audit was not requested inasmuch as only one additional voucher remained to be paid after the Cost Review. The final voucher, for September 1966, was paid on December 22, 1966.

Royalty Review - There was no ore produced during the period of the contract and no royalty was due the Government.

6. Project Results:

Discoveries - There were no discoveries of silver- and gold-bearing material of ore grade. Maps showing the exploration work are attached to the Operator's Final Report and assay data are included in the September voucher and report. The best channel sample contained 0.06 ounce of gold and 0.43 ounce of silver per ton. The best drill-hole sample contained 0.01 ounce of gold and 2.85 ounces of silver per ton. No ore reserves were discovered or estimated as a result of the work. Future production is not feasible and future development and exploration are not warranted.

Certification - The OME work did not result in a discovery of minable ore and certification was not recommended.

The Operator was notified on December 29, 1966, that the Government retains no claim or lien against the property and that the Performance Bondwas released.

Production - There was no ore mined or stockpiled during the period of the contract.

Royalties - There was no ore sold and no royalties were paid or due the Government.

7. Geologic Summary: The ore bodies that have been mined in the Aurora district occur in quartz veins along faults in andesite of Tertiary age. The major ore shoots yielded from 4,000 to 6,000 tons of ore each of ore containing $150 - $300 per ton in gold and silver. About $20 million was produced from the district during the period 1861-1864. There is no record of production from the small workings in the project area.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

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O. M. E.
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MAR 28 1967
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120 NC
RJ | 110
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March 24, 1967

Mr. Anthony L. Payne
Box 8063 - University Station
Reno, Nevada 89507

Re: OME-6500 (Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Dear Mr. Payne:

In reply to your letter of March 21, 1967, permission is granted to dispose of the long-hole drill samples from the Aurora project.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc:
Chief, OME, WDC
D RF
MP RF
ACG RF
Docket
HKStager:mlb
3-24-67

ANTHONY L. PAYNE mining geologist

box 8063 university station 89507 reno, nevada ~~FA 3-2081~~ ~~Est. 578~~

702 784 6933

March 21, 1967

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
United States Geological Survey
345 Middlefield Road
Menlo Park, California

(OME-6500)

Dear Hal:

I would appreciate having a letter from you with permission to dispose of the long hole drill samples from the Aurora project whenever you can get to it. We are running short of storage space, and I don't intend to keep these for any purpose.

With best wishes,

Yours very truly,

Tony

Anthony L. Payne
Mining Geologist

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ALP/s

cc:
Mr. Alexander von Hafften
files

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OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 7
(2/63)

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12/22	[illegible]	120
12/28/66	[illegible]	120
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AIRMAIL

Great Basin Exploration Company
P. O. Box 8063
University Station
Reno, Nevada

DEC 2 9 1966

Re: GME-6300 (Silver, Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

Enclosed is a copy of a self-explanatory letter of today to the Continental Casualty Company relating to the Performance Bond No. 11 399 86, dated January 27, 1966, submitted under the terms of the contract.

We appreciate your interest and participation in the GME exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
Budget and Finance

RMSmith/gla 12-22-66

OME Docket
OME Reading File
OME Region II
Mr. Smith
120M

23263

OFFICIAL FILE COPY

Date	Surname	Code
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12/28/66	Kirkemo	120
		110
		220

7

AIRMAIL

Continental Casualty Company
433 California Street
San Francisco, California

DEC 28 1966

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

Gentlemen:

The Great Basin Exploration Company has satisfactorily met its responsibilities under the terms of the referenced contract. Therefore, effective the date of this letter, the Government hereby releases your Performance Bond No. 11 399 86, dated January 27, 1966, covering obligations under the contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Great Basin Exploration Company
P. O. Box 8063
University Station
Reno, Nevada

cc: Director's Reading File
Division File
Economic Geology File
Budget and Finance
OME Docket
OME Reading File
OME Region II
Mr. Smith
120M

RMSmith/gla 12-22-66

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ME Form 7
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12/12	cal	220
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DEC 12 1966

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

Enclosed are three copies of the subject Operator's September 1966 voucher, a copy of the Field Officer's letter of December 5, 1966, forwarding a copy of the Report of Review to the subject Operator, and a copy of said Report of Review. If you concur therein, the Operator's September voucher may be paid.

FRANK E. JOHNSON (gla)
Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region II

MMerrithew/mm (12/12/66

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Date	Surname	Code
11/25	R.M. Smith	130
11/28/66	Kirkemo	130
		110

AIRMAIL

NOV 28 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

Enclosed are two copies of a Report of Review issued November 1966.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

We will hold the Operator's final (September) voucher until we receive notice of your concurrence.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
130
Docket

MMerrithew/mm (11/28/66)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

NOV 16 1966

Memorandum

To: Director, U.S. Geological Survey

From: Assistant Director, Contract and Grant Audit, Audit Operations, Office of Survey and Review

Subject: Review of Contract 2213
Docket No. OME-6500 (Silver-Gold)
Great Basin Exploration Company (Operator)
Silver Hill Property
Mineral County, Nevada

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Pursuant to a request dated September 27, 1966, from the Chief, Office of Minerals Exploration, we have made a cost review of Contract 2213, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of review are attached.

This contract provided for certain crosscutting, drifting, and long-hole drilling at a total estimated cost of $33,000 with the Government participating in such costs, on a 62½ percent basis, not in excess of $20,625. As of this date, the Government has accepted costs applicable to work satisfactorily completed through August 1966 amounting to $30,260.75 and has paid the Operator $18,912.97 on the 62½ percent basis.

No exception has been taken to the financial settlement made with the Operator.

Donald R. Morpey

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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Memorandum November 23, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Enclosed are three copies of the geologic map of the Black Hawk adit to be attached to the Operator's Final Report submitted on November 14, 1966. The Operator has not attempted to plot the geology from the 18 long holes drilled from the drift as the cuttings for the 5-foot intervals sampled do not allow a breakdown to close geologic detail. However the assay map and lists of assays indicate that no significant mineralized zones were intercepted by the drilling.

The target area was adequately explored by the OME project and I recommend that the Operator's Final Report be accepted and his final voucher paid.

H. K. Stager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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Memorandum November 14, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Enclosed are the September 1966 Operator's Monthly Voucher and Progress Report. Work on the OME project is completed and this is the final voucher.

Also enclosed are the Operator's Final Report on the project and a letter requesting that the OME state that the property will not be certified. On the basis of the unfavorable results of the exploration work carried out under the contract I do not believe that a Certification of Possible Production is warranted.

An Audit Review of the subject contract is requested and, inasmuch as we have the Operator's Final Report, the final payment of the Government's contribution can be paid.

H. K. Stager

Enclosures

Should audit be made only after a reasonable time has elapsed, if any delay in audit verifies that all claims including Sept. voucher are proper, voucher can be paid in full
RMB.

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

November 12, 1966

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
U. S. Geological Survey
345 Middlefield Road
Menlo Park, Calfornia 94025

Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find submitted four copies of a final Voucher and the final report for the subject O.M.E. contract.

As can be seen from the data submitted, the results of the exploration project are not sufficiently encouraging to warrant further work. It is Great Basin Exploration Company's intention to notify the property owners of our intent to terminate the lease and option agreements covering the ground. Would it be possible for your office to write Great Basin Exploration Company to the effect that the Federal Government will not certify the properties for production?

It has been a pleasure working with you and your Office on this exploration contract. Mr. von Hafften has asked me to speak for the two of us in expression of our appreciation for your cordial and efficient cooperation.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

cc:
Mr. Alexander von Hafften (with enclosures)
files

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NOV 14 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FINAL

MONTHLY VOUCHER

For Month of September, 1966

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $33,000.00
Gov't. Parricipation % 62½ $ 20,625
Mineral(s) Silver, gold

Name Great Basin Exploration Company
Address P.O. Box 8063 University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Transportation Essential	20.00	1,060.00	1,080.00			
Transportation Contracts	---	48.00	48.00			
Maintenance tailings	---	240.00	240.00			
Rental small load	---	1,560.00	1,560.00			
Mob-demob loader	---	100.00	100.00			
Drill stations (9)	---	900.00	900.00			
Drilling (300 ft.)	---	10,500.00	10,500.00			
Crosscutting 105 ft	---	3,675.00	3,675.00			
Slashing 35 ft	---	2,274.75	2,274.75			
Engineering & Technical	---	5,580.00	5,580.00			
Assaying & Consultants	---	1,375.00	1,375.00			
Maintenance	---	200.00	200.00			
(3) Operating Mat'l. & Supplies:	---	170.00	170.00			
Powder magazine	---	350.00	350.00			
Bulldozer	---	1,008.00	1,008.00			
Mob-demob bulldozer	---	200.00	200.00			
Road improvement	---	624.00	624.00			
Analytical work	---	396.00	396.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
290 long sale sample Analytical work	1,160.00	---	1,160.00			
Payroll Taxes						
Employer's Liability Ins.						
TOTALS	1,180.00	30,260.75	31,440.75			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 12, '66 * Payee Great Basin Exploration Co.

Per Anthony J. Payne Title Partner

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 737.50

Signature BCM (Authorized Certifying Officer)

Date DEC 22 1966 Vou. No. 14X0804 2969

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H R Stager Title Field Officer Date Nov. 14, 1966

Approved by OME Executive Officer or Alternate: OME Region II

Signature H R Stager Title Field Officer Date Nov. 14, 1966

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BUDGET&FINANCE

OPERATOR'S PROGRESS REPORT For month of September, 1966

Great Basin Exploration Company Contract 14-23-090-2213 Docket OME-6500

	units	this month	cost to date			
Drifting	300 ft.	--	$10,500.00	0	300	$ 10,500.00
Crosscutting	105 ft.	--	3,675.00	0	105	3,675.00
Slabbing	135 ft.	--	2,274.75	0	135	2,274.75
Drill stations	9	--	900.00	0	9	900.00
Miscellaneous*		$20.00	3,228.00	$20.00		3,228.00
Long hole drilling	1800 ft.	--	5,580.00	0	1800	5,580.00
Roads	63 hr.	--	1,008.00	0	63	1,008.00
Repair access road			624.00	0		624.00
Rehabilitation Adit		--	1,375.00	0		1,375.00
Construct tanks, shed,		--		0		
magazine		--	720.00	0		720.00
66 drift samples @$6.00		--	396.00	0	66	396.00
290 drill samples @$4.00		$1,160.00	1,160.00	290	290	1,160.00
			$31,440.75			$ 31,440.75

*Miscellanoues

	Allowed	This month	To date
Trailer utilities	$ 48.00	---	$ 48.00
Trailer rental	1,080.00	$20.00	1,080.00
Mob-demob trailers	240.00	---	240.00
Small loader rental	1,560.00	---	1,560.00
Mob-demob small loader	100.00	---	100.00
mob-demob bulldozer	200.00	---	200.00
	$3,228.00	$20.00	$3,228.00

November 12, 1966 Great Basin Exploration Company

Anthony L. Payne

Anthony L. Payne, Partner

I CERTIFY THAT THE INFORMATION ABOVE IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

H. K. Flager

FIELD OFFICER, OME REGION II

NOVEMBER 14, 1966

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

November 12, 1966

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
U. S. Geological Survey
345 Middlefield Road
Menlo Park, Calfornia 94025

Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find submitted four copies of a final Voucher and the final report for the subject O.M.E. contract.

As can be seen from the data submitted, the results of the exploration project are not sufficiently encouraging to warrant further work. It is Great Basin Exploration Company's intention to notify the property owners of our intent to terminate the lease and option agreements covering the ground. Would it be possible for your office to write Great Basin Exploration Company to the effect that the Federal Government will not certify the properties for production?

It has been a pleasure working with you and your Office on this exploration contract. Mr. von Hafften has asked me to speak for the two of us in expression of our appreciation for your cordial and efficient cooperation.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

cc:
Mr. Alexander von Hafften (with enclosures)
files

RECEIVED
NOV 14 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Re: Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Companh
Silver Hill Project
Mineral County, Nevada

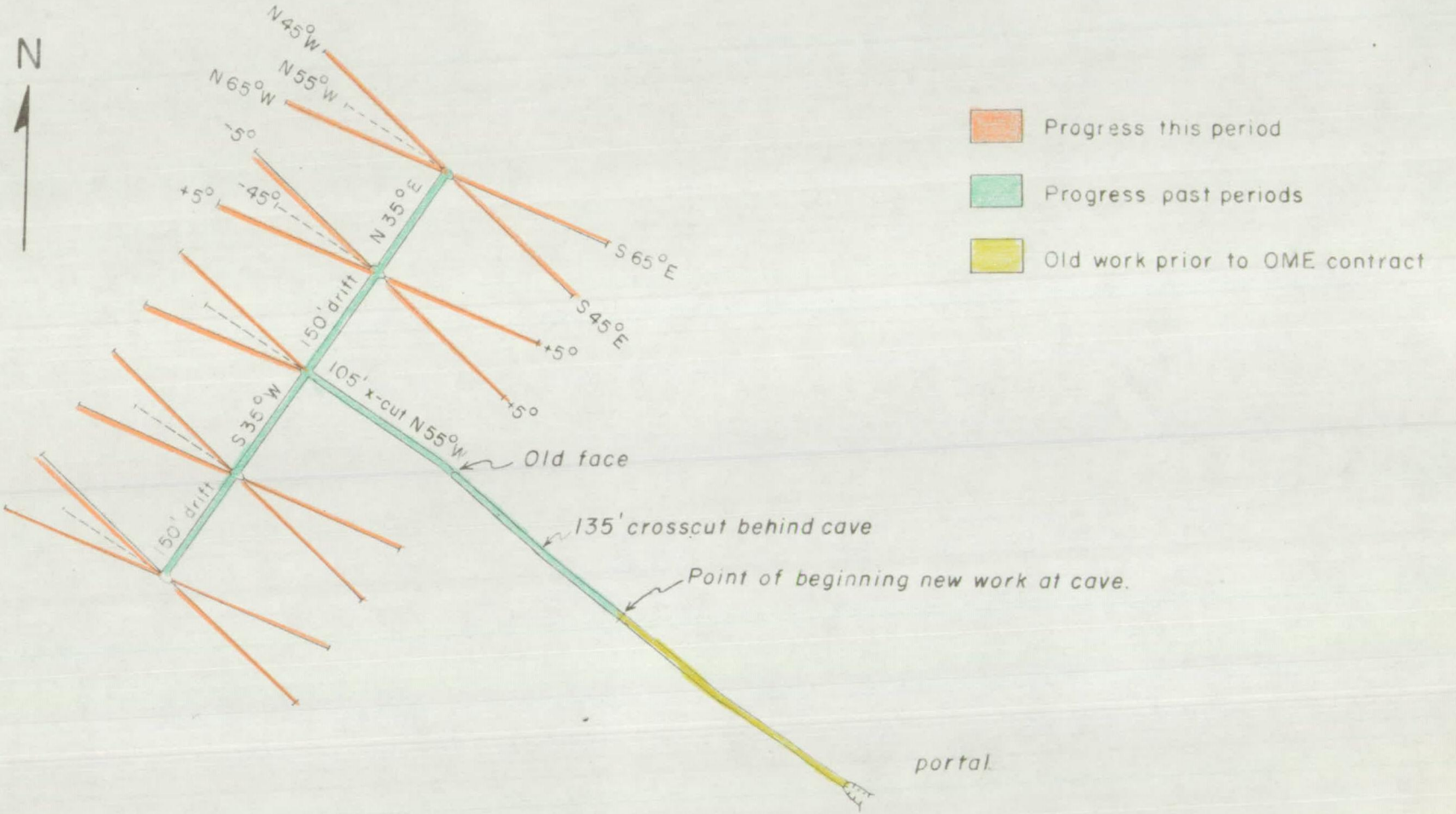
OPERATOR'S MONTHLY NARRATIVE REPORT

During the month of September the assays were returned for the samples of drill cuttings collected during the long hole drilling. Inasmuch as none of the assays shows significant mineralization, and it has been decided to terminate the exploration project on Silver Hill, no detailed narrative report will be submitted. Please refer to the final report on the project, which is being submitted with the attached Monthly Voucher and Operator's Progress Report.

Respectfully submitted,

Anthony L. Payne
Mining Geologist

Reno, Nevada
November 12, 1966



Mineral County Nevada

Note: all drill holes 100 ft. deep.

GREAT BASIN EXPLORATION CO.

SILVER HILL PROJECT

Progress map

Scale: 1" = 100'

Anthony L. Payne February, 1966

LURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P.O. Box 8063 University Station
Reno, Nevada

Date September 28, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
1-1	Trace		0.03	0.03			
2	Trace		Trace				
3	Trace		0.06	0.07			
4	Trace		0.12	0.15			
5	Trace		0.07	0.09			
6	Trace		0.07	0.09			
7	Trace		0.10	0.12			
8	Trace		0.20	0.25			
9	Trace		0.39	0.50			
10	0.01	0.35	0.67	0.86			
11	0.01	0.35	0.34	0.43			
12	Trace		0.13	0.16			
13	Trace		0.08	0.10			
14	0.005		0.09	0.11			
15	Trace		Trace				
16	Trace		Trace				
17	Trace		Trace				
18	Trace		Trace				
19	Trace		Trace				
20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Date September 28, 1966

Submitted by Dr. Anthony L. Payne
P.O. Box 8063 University Station
Reno, Nevada

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
2-1	Trace		Trace				
2	Trace		0.03	0.03			
3	Trace		0.06	0.07			
4	0.005	0.17	0.14	0.18			
5	Trace		0.11	0.14			
6	Trace		0.30	0.38			
7	Trace		0.28	0.36			
8	Trace		0.15	0.19			
9	Trace		Trace				
10	Trace		Trace				
11	Trace		Trace				
12	Trace		Trace				
13	Trace		Trace				
14	Trace		Trace				
15	Trace		Trace				
16	Trace		Trace				
17	Trace		Trace				
18	Trace		Trace				
19	Trace		0.02	0.02			
20	Nil		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P.O. Box 8063 University Station
Reno, Nevada

Date September 28, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
3-1	Trace		Trace				
2	Trace		0.04	0.05			
3	Trace		0.02	0.02			
4	0.005	0.17	0.08	0.10			
5	Trace		Trace				
6	Trace		0.05	0.06			
7	Trace		0.10	0.12			
8	Nil		Trace				
9	Trace		Trace				
10	Trace		Trace				
11	Trace		Trace				
12	Trace		Trace				
12	Trace		Trace				
13	Trace		Trace				
14	0.005	0.17	0.05	0.06			
15	Nil		Trace				
16	Trace		Trace				
17	Trace		Trace				
18	Trace		Trace				
19	Trace		Trace				
20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC. CHEMISTS • ASSAYERS • SPECTROGRAPHERS

142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date September 29, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
4-1	0.005	0.17	0.09	0.11			
4-2	Trace		0.17	0.21			
4-3	Trace		0.02	0.02			
4-4	Trace		0.10	0.12			
4-5	Trace		0.02	0.02			
4-6	Trace		0.06	0.07			
4-7	Trace		0.03	0.03			
4-8	Trace		0.05	0.06			
4-9	Trace		Trace				
4-10	Trace		Trace				
4-11	Trace		Trace				
4-12	Trace		0.04	0.05			
4-13	Trace		Trace				
4-14	Trace		Trace				
4-15	0.01	0.35	0.08	0.10			
4-16	Trace		Trace				
4-17	Trace		Trace				
4-18	Trace		Trace				
4-19	Trace		0.02	0.02			
4-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date September 29, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
5-1	0.005	0.17	0.14	0.18			
5-2	Trace		0.04	0.05			
5-3	Trace		Trace				
5-4	Trace		0.06	0.07			
5-5	Trace		Trace				
5-6	0.005	0.17	0.12	0.15			
5-7	Trace		Trace				
5-8	Trace		Trace				
5-9	Trace		0.03	0.03			
5-10	0.005	0.17	0.06	0.07			
5-11	Trace		0.03	0.03			
5-12	Trace		Trace				
5-13	Trace		Trace				
5-14	Trace		Trace				
5-15	0.005	0.17	0.03	0.03			
5-16	Trace		Trace				
5-17	Trace		Trace				
5-18	Trace		Trace				
5-19	Trace		Trace				
5-20	0.005	0.17	0.10	0.12			

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METALLURGICAL LABORATORIES INC. CHEMISTS • ASSAYERS • SPECTROGRAPHERS

142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date September 30, 1966

Sample of Drill Cores

ORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
6-1	Trace		0.10	0.12			
6-2	Trace		0.06	0.07			
6-3	Trace		0.02	0.02			
6-4	Trace		0.05	0.06			
6-5	Nil		Trace				
6-6	Nil		Trace				
6-7	Trace		0.04	0.05			
6-8	Nil		Trace				
6-9	Nil		Trace				
6-10	Nil		Trace				
6-11	Nil		Trace				
6-12	Trace		0.03	0.03			
6-13	Trace		Trace				
6-14	Trace		Trace				
6-15	Nil		Trace				
6-16	Nil		Trace				
6-17	Nil		Trace				
6-18	Nil		Trace				
6-19	Nil		Trace				
6-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P.O. Box # 8063 University Station
Reno, Nevada

Date September 30, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
7-1	0.01	0.35	0.72	0.92			
7-2	0.005	0.17	0.70	0.90			
7-3	Trace		0.22	0.28			
7-4	Trace		0.13	0.16			
7-5	Trace		0.09	0.11			
7-6	Trace		0.07	0.09			
7-7	Trace		0.07	0.09			
7-8	Trace		0.04	0.05			
7-9	Trace		Trace				
7-10	Trace		Trace				
7-11	Trace		Trace				
7-12	Trace		Trace				
7-13	Trace		Trace				
7-14	Trace		Trace				
7-15	Nil		Trace				
7-16	Nil		Trace				
7-17	Nil		Trace				
7-18	Nil		Trace				
7-19	Nil		Trace				
7-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P.O. Box 8063 University Station
Reno, Nevada

Date September 28, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
8-1	Trace		0.60	0.77			
2	Trace		0.39	0.50			
3	0.015	0.52	2.21	2.85			
4	0.005	0.17	1.61	2.07			
5	0.005	0.17	1.94	2.50			
6	0.01	0.35	2.85	3.67			
7	0.01	0.35	2.81	3.62			
8	0.01	0.35	1.61	2.07			
9	0.005	0.17	1.17	1.50			
10	0.005	0.17	0.71	0.91			
11	0.005	0.17	0.72	0.92			
12	0.005	0.17	1.07	1.38			
13	0.01	0.35	1.85	2.38			
14	0.005	0.17	0.67	0.86			
15	Trace		0.72	0.92			
16	Trace		0.52	0.67			
17	Trace		0.30	0.38			
18	Trace		0.50	0.64			
19	Trace		0.23	0.29			
20	Trace		0.20	0.25			

METALLURGICAL LABORATORIES INC.

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METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by: Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date: October 3, 1966

Sample of: Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
9-1	Trace		0.10	0.12			
9-2	Trace		0.08	0.10			
9-3	Trace		0.12	0.15			
9-4	Trace		0.10	0.12			
9-5	Trace		0.06	0.07			
9-6	Trace		0.03	0.03			
9-7	Trace		0.02	0.02			
9-8	Trace		0.02	0.02			
9-9	Trace		Trace				
9-10	Trace		Trace				
9-11	Trace		Trace				
9-12	Trace		0.04	0.05			
9-13	Trace		Trace				
9-14	Trace		0.03	0.03			
9-15	Trace		Trace				
9-16	Trace		Trace				
9-17	Trace		0.02	0.02			
9-18	Trace		Trace				
9-19	Trace		Trace				
9-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date October 3, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
10-1	Trace		0.02	0.02			
10-2	Trace		0.02	0.02			
10-3	Trace		Trace				
10-4	Trace		Trace				
10-5	Trace		Trace				
10-6	Trace		Trace				
10-7	Trace		Trace				
10-8	Trace		0.04	0.05			
10-9	Trace		Trace				
10-10	Trace		Trace				
10-11	Trace		Trace				
10-12	Trace		Trace				
10-13	Trace		Trace				
10-14	Trace		Trace				
10-15	Trace		Trace				
10-16	Trace		Trace				
10-17	Trace		Trace				
10-18	Trace		Trace				
10-19	Trace		Trace				
10-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date October 4, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
11-1	Trace		0.06	0.07			
11-2	Trace		0.06	0.07			
11-3	Trace		0.02	0.02			
11-4	Trace		0.02	0.02			
11-5	Trace		0.04	0.05			
11-6	Trace		0.02	0.02			
11-7	Trace		Trace				
11-8	Trace		Trace				
11-9	Trace		Trace				
11-10	Trace		Trace				
11-11	Trace		Trace				
11-12	0.005	0.17	0.06	0.07			
11-13	0.005	0.17	0.05	0.06			
11-14	0.005	0.17	0.12	0.15			
11-15	0.005	0.17	0.10	0.12			
11-16	0.005	0.17	0.06	0.07			
11-17	Trace		Trace				
11-18	Trace		Trace				
11-19	Trace		Trace				
11-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date October 4, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
12-1	Trace		0.12	0.15			
12-2	Trace		0.14	0.18			
12-3	Trace		0.10	0.12			
12-4	Trace		0.08	0.10			
12-5	0.005	0.17	0.08	0.10			
12-6	Trace		0.22	0.28			
12-7	Trace		0.10	0.12			
12-8	Trace		0.18	0.23			
12-9	Trace		0.04	0.05			
12-10	Trace		Trace				
12-11	Trace		Trace				
12-12	Trace		0.02	0.02			
12-13	Trace		Trace				
12-14	Trace		Trac e				
12-15	Trace		Trace				
12-16	Trace		0.02	0.02			
12-17	Trace		Trace				
12-18	Trace		Trace				
12-19	Trace		Trace				
12-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Date October 5, 1966

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Sample of Drill Cores

ORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
13-1	Trace		0.10	0.12			
13-2	Trace		0.08	0.10			
13-3	Trace		0.07	0.09			
13-4	Trace		0.12	0.15			
13-5	Trace		0.07	0.09			
13-6	0.005	0.17	0.05	0.06			
13-7	Trace		0.04	0.05			
13-8	Trace		0.04	0.05			
13-9	Trace		Trace				
13-10	Trace		Trace				
13-11	Trace		Trace				
13-12	Trace		Trace				
13-13	Trace		Trace				
13-14	Trace		Trace				
13-15	Trace		Trace				
13-16	Trace		Trac e				
13-17	Trace		Trace				
13-18	Trace		0.06	0.07			
13-19	Trace		Trace				
13-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date October 5, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
14-1	Trace		0.12	0.15			
14-2	Trace		0.10	0.12			
14-3	Trace		0.08	0.10			
14-4	Trace		0.08	0.10			
14-5	0.005	0.17	0.10	0.12			
14-6	Trace		0.06	0.07			
14-7	Trace		0.04	0.05			
14-8	Trace		0.04	0.05			
14-9	Trace		0.02	0.02			
14-10	Trace		Trace				
14-11	Trace		TRace				
14-12	Trace		Trace				
14-13	Trace		Trace				
14-14	Trace		Trace				
14-15	Trace		Trace				
14-16	Trace		Trace				
14-17	Trace		Trace				
14-18	Nil		Trace				
14-19	Nil		Trace				
14-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P.O. Box 8063 University Station
Reno, Nevada

Date October 6, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
15-1	Trace		0.10				
15-2	Trace		0.04				
15-3	Trace		0.06				
15-4	Trace		0.05				
15-5	Trace		0.09				
15-6	Trace		0.04				
15-7	Trace		0.03				
15-8	Trace		0.02				
15-9	Trace		0.02				
15-10	Trace		Trac e				
15-11	Trace		Trace				
15-12	Trace		Trace				
15-13	Trace		Trace				
15-14	Trace		Trace				
15-15	Trace		Trace				
15-16	Trace		Trace				
15-17	Trace		Trace				
15-18	Nil		Trace				
15-19	Trace		Trace				
15-20	Trace		0.02				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P.O. Box 8063 University Station
Reno, Nevada

Date October 6, 1966

Sample of Drill Cores

LABORATORY NO.

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
16-1	0.01	0.35	0.06	0.07			
16-2	Trace		0.04	0.05			
16-3	Trace		0.04	0.05			
16-4	Trace		0.08	0.10			
16-5	Trace		0.06	0.07			
16-6	Trace		0.02	0.02			
16-7	Trace		0.02	0.02			
16-8	Trace		Trace				
16-9	Trace		Trace				
16-10	Nil		Trace				
16-11	Trace		Trace				
16-12	Nil		Trace				
16-13	Trace		Trace				
16-14	Trace		Trace				
16-15	Trace		Trace				
16-16	Trace		Trace				
16-17	Trace		Trace				
16-18	Trace		Trace				
~~16-19~~	~~Trace~~		~~Trace~~				
16-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date October 7, 1966

ORATORY NO. 6587

Sample of Drill Cores

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
17-1	Trace		0.07	0.09			
17-2	Trace		0.03	0.03			
17-3	Trace		0.04	0.05			
17-4	Trace		0.05	0.06			
17-5	Trace		0.02	0.02			
17-6	Trace		0.02	0.02			
17-7	Trace		Trace				
17-8	Trace		Trace				
17-9	Nil		Trace				
17-10	Nil		Trace				
17-11	Nil		Trace				
17-12	Nil		Trace				
17-13	Trace		Trace				
17-14	Trace		Trace				
17-15	Trace		Trace				
17-16	Nil		Trace				
17-17	Nil		Trace				
17-18	Trace		Trace				
~~17-19~~	~~Trace~~		~~Trace~~				
17-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date October 7, 1966

Sample of Drill Cores

LABORATORY NO. 6587

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
18-1	Trace		0.02	0.02			
18-2	Trace		0.04	0.05			
18-3	Trace		0.03	0.03			
18-4	Trace		0.02	0.02			
18-5	Trace		Trace				
18-6	Trace		Trace				
18-7	Trace		Trace				
18-8	Trace		Trace				
18-9	Trace		Trace				
18-10	Nil		Trace				
18-11	Nil		Trace				
18-12	Trace		Trace				
18-13	Nil		Trace				
18-14	Nil		Trace				
18-15	Nil		Trace				
18-16	Trace		Trace				
18-17	Trace		Trace				
18-18	Trace		Trace				
18-19	Trace		Trace				
18-20	Trace		Trace				

METALLURGICAL LABORATORIES INC.

By [signature]

Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR'S FINAL REPORT

The Silver Hill project began on February 23, 1966, and was completed on September 1, 1966. The following work was completed:

Initial road repair and improvement, labor, material, and supplies	$ 624.00
Initial road repair and improvement, 63 hours of bulldozer work at $16/hr	1,008.00
Mobilization and demobilization of bulldozer	200.00
Preparation of water supply system	200.00
Construction of wooden powder magazine	350.00
Construction of wooden tool shed	170.00
Rehabilitation of Black Hawk adit	1,375.00
Slabbing out 135 of crosscut	2,274.75
Crosscutting 105 ft	3,675.00
Drifting 300 ft	10,500.00
Analysis of 66 samples taken during drifting	396.00
Preparation of nine underground drill stations	900.00
Drilling 1800 ft. of long hole	5,580.00
Analysis of 290 samples of longhole cuttings	1,160.00
Mobilization, rental, utilities, and demobilization of two trailers	1,368.00
Mobilization, rental, and demobilization of small loader	1,660.00
Total Project costs	$31,440.75

Road repair, portal preparation, and construction of surface facilities were done while trackwas laid across the dump and rehabilitation of the tunnel progressed up to the cave at 11,915N 11,890 E (please refer to 20 scale map of Black Hawk adit accompanying this report). Once the cave was cleaned up, it was found to be from an old rotted chute under a raise and irregular stope extending 40 ft. above the level on the hanging wall side of the 6 ft. thick structure (Black Hawk vein) where sample No. 1368 was cut. This vein outcrops plainly on the surface, and these underground relationships conform to the geologic picture previously obtained. Beyond the old cave however, the crosscut was found to continue 135 ft. into the footwall of the Black Hawk vein, although the crosssection of the openéng was so small that it was necessary to open in up by slabbing. The old face was finally re-gained at coordinates 12,005 N 11,794 E early in April, and new crosscut advance through Aurora Andesite was made on a northwest heading for 105 ft. during April and early May.

OPERATOR'S FINAL REPORT

The 105 ft. of new crosscut intersected five small veins at almost right angles, ranging from 0.5 to 0.7 ft. in width, and containing from trace to 0.04 oz Au and from trace to 0.10 oz Ag. At 430 ft. from the portal, at 12,067 N 11,710 E, a moderately strong vein structure was cut, and it was decided to turn and drift in both directions, for this was the approximate center of the un-explored target area. It immediately became apparent that there were a number of relatively small veins along the trend of the drift headings, rather than a single large structure, and the decision was made to continue the two headings for 150 ft. each, on bearing, collecting muckpile samples after each round had been broken. Drifting continued during May, June, and July, and was completed on August 1, 1966, and a number of narrow veins were encountered in the work. Channel samples were cut of all mineralization, and the assay results were not encouraging. The most impressive structure from the standpoint of visual appearance, is the 1.0 to 1.5 ft. vein trending northeast across the drift just north of survey station No. 6. Assays were dissappointing however, 0.06 oz Au, 0.43 oz Ag (Sample No. 1480) being the best showing obtained.

All of the veins are iron and manganese stained quartz, and have irregularly been broken by post-ore faulting. Occasionally dark wavy mottling can be seen in carbonate gangue or carbonate minerals that have partially been replaced by vein silica. Alteration of the walls is pronounced adjacent to the vein, but grades rapidly outward into fresh bluish-green andesite. The veins all dip moderately to steeply to the southeast.

Nine drill stations were opened out along the drift, and preparations were made for long hole drilling during August. Because of the many delays up to this point, putting the work well into the dry season, and because of the uncommonly low water conditions this year, large amounts of water wererequired to obtain acceptable sample return from the holes, and it was decided to drill only the 18 flat holes, and not to attempt the steep down holes.

The quantity of drill cuttings obtained from the flat holes compared well with theoretical expectable volume, and behavior of the drill gave no indication of excessive caverns, wall cave, or other unusual conditions.

Samples were collected for each five-foot drill steel, and all samples were split in a Jones splitter. A representative quarter was retained for geological purposes, and another quarter was sent for gold and silver assay. Analytical results were discouraging. All results better than 0.02 oz Au and/or 1.00 oz Ag have been plotted on the attached map, and it can be seen that only Hole No. 8 showed significant mineralization, where up to 0.02 oz Au and 2 to 3 ounces of silver were obtained. After careful consideration, it was concluded that the drifting and drill hole data indicate that no major precious metal ore shoot exists in this area at or near the level of the Black Hawk adit. No work will be done to explore the mineralization in Drill Hole No. 8, for it is felt to be too low grade and the space too restricted for a major ore shoot to be indicated by these showings.

Great Basin Exploration Company has stopped all exploration activity on Silver Hill, and will shortly notify property owners of intent to terminate lease and option agreements.

Respectfully submitted,

Anthony L. Payne
Mining Geologist

Reno, Nevada

November 12, 1966

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 13 1966
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $ 33,000.00
Gov't. Participation %62½ $ 20,625.00
Mineral(s) Silver, Gold

OPERATOR'S MONTHLY VOUCHER

For Month of August, 1966

Operator's Name Great Basin Exploration Company
Address P. O. Box 8063 University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Trailer rental	121.48	958.52	1,080.00			
Trailer utilities	6.32	41.68	48.00			
Mob-demob trailers	120.00	120.00	240.00			
Rental small loader	260.00	1,300.00	1,560.00			
Mob-demob loader	50.00	50.00	100.00			
Drill stations (2)	200.00	700.00	900.00			
Drift 10 ft.	350.00	10,150.00	10,500.00			
Long hole 1800 ft.	5,580.00	---	5,580.00			
Slab out 135 ft.	---	2,274.75	2,274.75			
Crosscut 105 ft.	---	3,675.00	3,675.00			
Rehab. tunnel	---	1,375.00	1,375.00			
(3) Operating Mat'l. & Supplies:						
Water tanks	---	200.00	200.00			
Tool shed	---	170.00	170.00			
Powder magazine	---	350.00	350.00			
Bulldozer	---	1,008.00	1,008.00			
Mob-demob bulldozer	---	200.00	200.00			
Road improvement	---	624.00	624.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	138.00	258.00	396.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$6,825.80	23,454.95	$30,280.75			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 5, 1966 Payee Great Basin Exploration Co

Per Anthony J. Payne Title Partner

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4,661.12

Signature 14X0804
(Authorized Certifying Officer)

Date SEP 14 1966 Vou. No. 22226
(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H. B. Stager Title Field Officer Date Sept. 7, 1966

Approved by OME Executive Officer or Alternate: OME Region II

Signature H. B. Stager Title Field Officer Date Sept. 7, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of August, 1966 Docket No. OME-6500

Operator's Name Great Basin Exploration Company Contract No. 14-23-090-2213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	300	10	300	10,500.00	10'	300'	$ 10,500.00
Crosscutting	105	--	105	3,675.00	0	105'	3,675.00
Raising							
Shafts							
Winzes							
Other Underground slab	135	--	135	2,274.75	0	135'	2,274.75
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Drill stations Churn	9	2	9	900.00	2	9	900.00
Percussion	2300	1800	1800	5,580.00	1800	1800	5,580.00
Miscellaneous							
see remarks below		557.80		3,228.00			3,208.00 *
Roads and Trails	63hrs	--	63hrs	1,008.00	0	63	1,008.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs Access road				624.00			624.00
Rehabilitation of Mine Workings Black Hawk adit				1,375.00			1,375.00
New Buildings, Fixtures, etc. Water, shed, magazine				720.00			720.00
Operating Equipment Purchases							
Analytical Work 66 assays @ $6.00				396.00			396.00
TOTAL TO DATE (per MME Form 60)				$30,280.75			$ 30,260.75 *

REMARKS	Allowed	This month	To date
Trailer rental	$1,080.00	$121.48	$1,080.00 *
Trailer utilities	48.00	6.32	48.00
Mob-demob trailers	240.00	120.00	240.00
Small loader rental	1,560.00	260.00	1,560.00
Mob=demob small loader	100.00	50.00	100.00
Mob-demob bulldozer	200.00	--	200.00
	$3,228.00	$557.80	$3,228.00

(Continue on back)

REMARKS

MISTAKE IN ADDITION ON JULY VOUCHER (MME-60) FOR TRAILER RENTAL - CARRIED OVER TO THIS MONTH. $20 OF ALLOWABLE RENTAL STILL TO BE CLAIMED.

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date September 5, 1966 Operator Great Basin Exploration Co.

Per Anthony L. Payne Title Partner

Anthony L. Payne

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title FIELD OPERATOR, OME REGION

Government Representative

Date Sept. 7, 1966

(INSTRUCTIONS ON REVERSE)

Re: Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR'S MONTHLY NARRATIVE REPORT

During the month of August, 1966, 10 ft. of drifting to the southwest was done, completing this work. The remaining two drill stations were prepared.

23 additional samples were analyzed for silver and gold during the report period, and the results have been sent to Mr. Stager, and are portrayed on the attached 20-scale assay map.

Eighteen 100-ft. long holes were drilled 2 inches in diameter at a plus 5-degree angle at the locations shown on the attached assay map. A great deal of difficulty was experienced with the dry ground conditions. Instead of the 200-250 gallons/hole that was anticipated, 1000 to 1500 gallons were required, and the water had to be hauled from Rough Creek in a water truck. Water return was less than a third, but in spite of this, sample recovery was excellent in the up holes, and the volume of cuttings came close to the theoretical volume. It was necessary to abandon the five down 45-degree holes, for sample recovery promised to be unsatisfactory. These five holes were of secondary importance, and it is felt that the 18 flat holes did an adequate job of prospecting the target area. Several veins were interesected during the drilling.

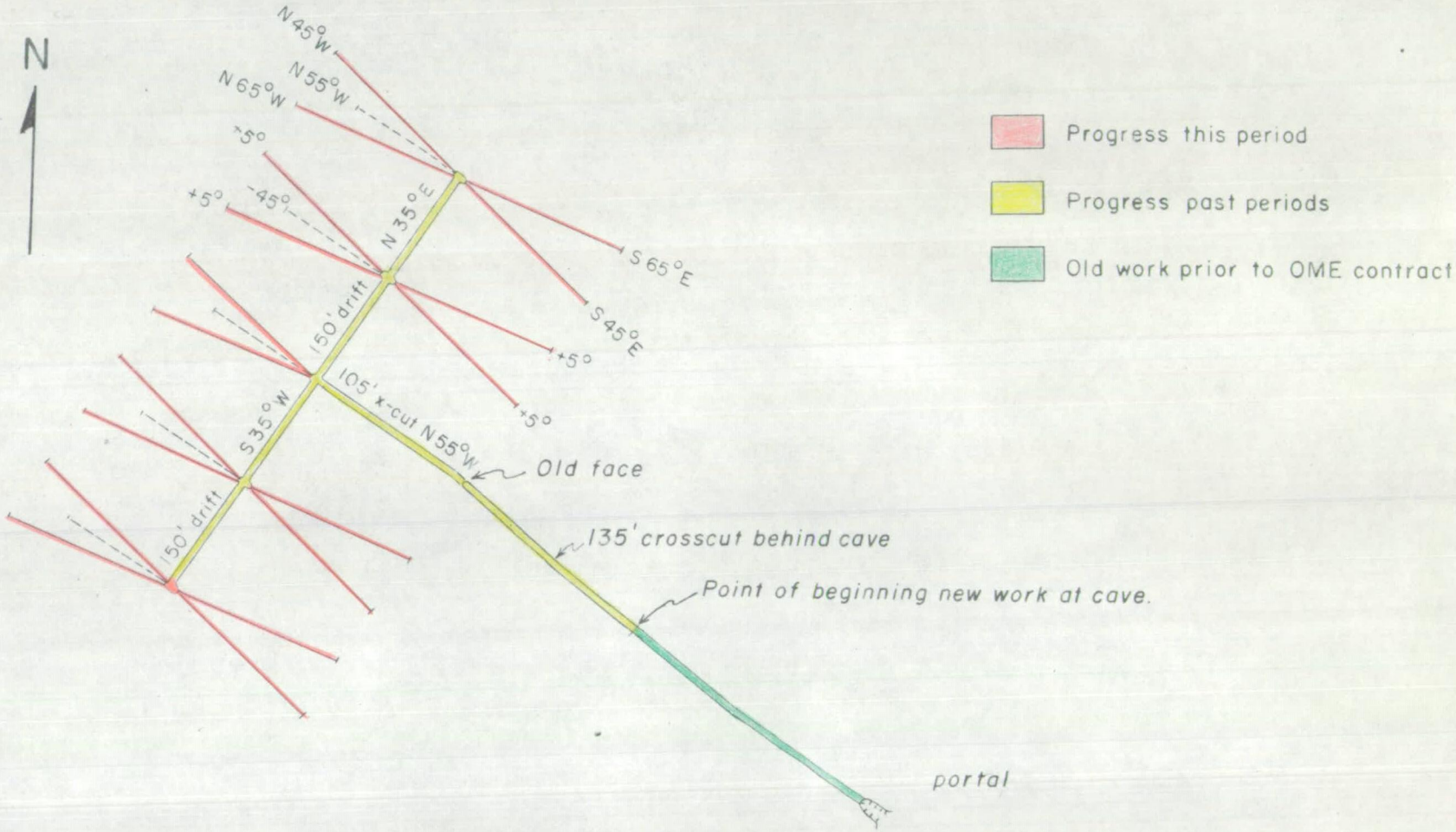
Long holes were sampled for each five foot sectional steel, making a total of 20 samples per hole, or 360 samples in all. These will be split in Jones splitter and one-fourth sent for assay as soon as the samples have dried and can be prepared. The cuttings will be logged after assays are returned, and a complete report will be prepared with 20-scale geologic map, along with an interpretation of all results.

Respectfully submitted,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

Reno, Nevada
September 5, 1966



Mineral County Nevada

Note: all drill holes 100 ft. deep.

GREAT BASIN EXPLORATION CO.

SILVER HILL PROJECT

Progress map

Scale: 1"=100'

Anthony L. Payne February, 1966

ANTHONY L. PAYNE mining geologist
box 8063 university station reno, nevada FA 3-2081 Ext. 578

August 17, 1966

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
United States Geological Survey
345 Middlefield Road
Menlo Park, California

OME-6500 (Silver-Gold)
Great Basin Expl. Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Dear Hal:

We plan to begin the long hole drilling at Silver Hill Monday, August 22, 1966.

I will be there, along with two samplers, in addition to the drill crew. We plan to double shift, and may triple shift, with the idea of getting the drilling and sampling done as quickly as possible, perhaps during the remainder of the month.

I'll probably be staying at the El Capitan Motel while the drilling is underway.

Best regards,

Yours very truly,

Tony
Anthony L. Payne

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 24 1966
INITIALS | CODE
JED | 110
RMB | 120

RECEIVED
AUG 22 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MM FORM 50
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY M. E. RECEIVED AUG 18 1966 INITIALS CODE

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $ 33,000
Gov't. Participation % 62½ $ 20/625
Mineral(s) Silver, gold

OPERATOR'S MONTHLY VOUCHER

For Month of July, 1966

Operator's Name Great Basin Exploration Company
Address P. O. Box 8063, University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Trailer rental	180.00	758.52	958.52			
Trailer utilities	8.00	33.68	41.68			
Mob-demob trailers	(260.00)	120.00	120.00			
Rental small loader	--	1,040.00	1,300.00			
Mobilize small load	--	50.00	50.00			
Slab out 135 ft.	--	2,274.75	2,274.~~57~~ 75			
Crosscut 105 ft.	--	3,675.00	3,675.00			
(2) Personal Services:						
Rehab tunnel	--	1,375.00	1,375.00			
Drill Stations	600.00	100.00	700.00			
Outside Consultants:						
Drift 115 ft.	4,025.00	6,125.00	10,150.00			
Water tanks	--	200.00	200.00			
(3) Operating Materials & Supplies:						
Tool shed	--	170.00	170.00			
Powder magazine	--	350.00	350.00			
Explosives						
Bulldozer	--	1,008.00	1,008.00			
Mob-demob bulldozer	--	200.00	200.00			
Road improvement	--	624.00	624.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	258.00	--	258.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$5331.00	$18,103.95	$23,434.~~95~~ 5			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date August 1, 1966 Payee Great Basin Exploration Co.

Per Anthony J. Rey Title Partner

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3331.87

Signature 14X0804
(Authorized Certifying Officer)

Date AUG 18 1966 Vou. No. 1485

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H K Stager Title FIELD OFFICER Date AUGUST 5, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H K Stager Title FIELD OFFICER Date AUGUST 5, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

EP

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July, 1966 Docket No. OME-6500

Operator's Name Great Basin Exploration Company Contract No. 14-23-090- 2213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	300	115	290	10,150.00	115'	290'	$10,150.00
Crosscutting	105	-	105	3,675.00	0	105'	3,675.00
Raising							
Shafts							
Winzes							
Other Underground slab	135	-	135	2,274.75	0	135'	2,274.75
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Drill stations Percussion	9	6	7	700.00	6	7	700.00
Miscellaneous				2,650.20			2,650.20
see remarks below				~~448.00~~			
Roads and Trails	60hr	--	63 hr	1,008.00	0	63	1,008.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs Access road				624.00			624.00
Rehabilitation of Mine Workings Black Hawk adit				1,375.00			1,375.00
New Buildings, Fixtures, etc. water, shed, magazine				720.00			720.00
Operating Equipment Purchases							
Analytical Work 43 assays @$6.00				258.00			258.00
TOTAL TO DATE (per MME Form 60)				23,434.95			$23,434.95

REMARKS

Trailer rental	$1,008.00	$180.00	938.52
Trailer utilities	48.00	8.00	41.68
Mob-demob trailers	240.00	--	120.00
Rental small loader	1,560.00	260.00	1,300.00
Mob-demob small loader	100.00	--	50.00
Mob-demob bulldozer	200.00	--	200.00
	$3,228.00	$448.00	$2,650.20

(Continue on back)

REMARKS

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date August 1, 1966 Operator Great Basin Exploration Co.

Per Anthony L. Payne Title Partner

Anthony L. Payne

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H K Stager

Title Field Officer, OME Region II
Government Representative

Date August 5, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP., D.C.59- 27162

Re: Docket No. OME-6500 (Silver, gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR's MONTHLY NARRATIVE REPORT

During the month of July, 115 ft. of drifting was completed along the vein zone in the center of the target area. Six drill stations were prepared, two at the extreme northwest end of the drifting, two at the midway point in the northeast drift, and two at the midway point in the southwest drift. Ten feet of drifting in the southwest heading remain to be done, and this work should be completed during the first few days of August, 1966.

Drift advance in both headings continued through intermittently mineralized ground, many stringers from less than an inch up to 2.0 ft. in width were cut.

43 samples were analyzed during the report period, the results having already been sent to Mr. Stager in Menlo Park.

Work to datein the target area has revealed that there are at least half a dozen strong vein structures, any of which might make ore after passing through the drift walls. It is expected that long hole drilling will adequately test any possible ore shoots present along either side of the drift headings.

Respectfully submitted,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

Reno, Nevada
August 1, 1966

TALLURGICAL LABORATORIES INC.
CHEMISTS ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

OME-6500

OFFICIAL COPY

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date August 5, 1966

Sample of Minerals

LABORATORY NO. 6321

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%		%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE				
1427	Trace		Trace					
1428	Trace		Trace					
1429	Trace		Trace					
1430	Trace		0.02	0.02				
1431	Trace		Trace					
1432	Trace		0.02	0.02				
1433	Trace		0.04	0.05				
1434	Trace		0.02	0.02				
1435	Trace		Trace					
1436	Trace		Trace					
1437	Trace		Trace					
1438	Trace		Trace					
1439	Trace		0.05	0.06				
1440	Trace		0.03	0.03				
1441	0.01	0.35	0.04	0.05				
1442	Trace		0.02	0.02				
1443	Trace		0.02	0.02				
1444	Trace		Trace					

RECEIVED

METALLURGICAL LABORATORIES INC.

By

ETALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

42 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

OME-6500

REPORT OF ASSAY

ubmitted by Dr. Anthony L. Payne
P. O. Box 8063 University Station
Reno, Nevada

Date August 5, 1966

Sample of Minerals

RATORY NO. 6321

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
1445	Trace		0.04	0.05			
1446	Trace		0.10	0.12			
1447	Trace		Trace				
1448	0.005	0.17	0.05	0.06			
1449	Trace		0.04	0.05			

RECEIVED
JUN 11 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
WESTERN AREA

METALLURGICAL LABORATORIES INC.

By [signature]

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

June 30, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 1 1966

INITIALS	CODE
	120
	140
	120

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Enclosed are the original and one copy of Amendment No. 2 of the subject contract, property executed by the Operator. The remaining copies of the Amendment have been distributed in the usual manner.

H. K. Stager

Enclosures-2

ALEXANDER von HAFFTEN
3898 WASHINGTON STREET
SAN FRANCISCO 18, CALIFORNIA

RECEIVED
JUN 30 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 1 1966
INITIALS

June 29, 1966

Mr. H. K. Stager
Field Officer, OME, Region II
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Dear Mr. Stager:

Thank you for your letter of June 28, 1966 enclosing original and three copies of the proposed Amendment No. 2, signed by the Chief, Office of Minerals Exploration, for the Government.

I am pleased to return three copies of the Amendment duly signed to you.

Great Basin Exploration Co. is most appreciative of the efforts put forth by you to obtain this amendment. We are certain that it will be of material assistance in helping us properly explore the Silver Hill Property.

Sincerely yours,

Alexander von Hafften

Alexander von Hafften

AvH:rl
Enclosures

cc: Dr. Anthony L. Payne

OME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
JUL 25 1966
RECEIVED

INITIALS CODE
CPE 210
120
120

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $ 33,000
Gov't. Participation % 62½ $ 20,625
Mineral(s) Silver, gold

OPERATOR'S MONTHLY VOUCHER

For Month of June, 1966

Operator's Name Great Basin Exploration Company
Address P. O. Box 8063 University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Trailer rental	180.00	578.52	758.52			
Bulldozing						
Trailer utilities	8.00	25.68	33.68			
Drifting						
Mob-demob trailers	---	120.00	120.00			
Crosscutting						
Rental samll load.	260.00	780.00	1,040.00			
Drilling						
Mobilize small load	---	50.00	50.00			
Slab out 135 ft.	---	2,274.75	2,274.75			
Crosscut 105 ft.	---	3,675.00	3,675.00			
(2) Personal Services:						
Rehabil. Adit	---	1,375.00	1,375.00			
Supervision & Technical						
Drill Stations	---	100.00	100.00			
Outside Consultants						
Drift 120 ft.	4,200.00	1,925.00	6,125.00			
Labor						
Water tanks	---	200.00	200.00			
(3) Operating Mat'l. & Supplies:						
Tool Shed	---	170.00	170.00			
Timber						
Powder magazine	---	350.00	350.00			
Explosives						
Bulldozer	---	1,008.00	1,008.00			
Pipe						
Mob-demob bulldozer	---	200.00	200.00			
Rail						
Road improvement	---	624.00	624.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	4,648.00	13,455.95	18,103.95			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 1, 1966 * Payee Great Basin Exploration co

Per Anthony L. Payne Title Partner

Anthony L. Payne

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 7905.00

Signature 14X0804
(Authorized Certifying Officer)

Date JUL 25 1966 Vou. No. 703

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H B Flager Title Field Officer Date July 6, 1966

Approved by OME Executive Officer or Alternate: OME Region II

Signature H B Flager Title Field Officer Date July 6, 1966

FORM 61
T. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of June, 1966 Docket No. OME-6500

Operator's Name Great Basin Exploration Company Contract No. 14-23-090-2213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	300'	120'	175'	$6,125.00	120'	175'	$6,125.00
Crosscutting	105'	---	105'	3,675.00	0	105'	3,675.00
Raising							
Shafts							
Winzes							
Other Underground slab	135'	---	135'	2,274.75	0	135'	2,274.75
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Drill Stations Percussion	9	---	1	100.00	0	1	100.00
Miscellaneous							
See remarks below				2,202.20			
Roads and Trails	63hr	---	63 hr	1,008.00			2,202.20
Stripping					0	63	1,008.00
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs Access road				624.00			624.00
Rehabilitation of Mine Workings Black Hawk adit				1,375.00			1,375.00
New Buildings, Fixtures, etc. Water, shed, magazine				720.00			720.00
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$18,103.95			$18,103.95

REMARKS

	Allowed	This mo.	To date
Trailer rental	$1,080.00	180.00	,758.52
Trailer utilities	48.00	8.00	33.68
Mob-demob trailers	240.00	---	120.00
Rental small loader	1,560.00	260.00	1,040.00
Mob-demob small loader	100.00	---	50.00
mob-demob bulldozer	200.00	---	200.00
	$3,228.00	448.00	2,202.20

(Continue on back)

REMARKS

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date July 1, 1966 Operator Great Basin Exploration Co.

Per Anthony L. Payne Title Partner

Anthony L. Payne

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H K Stager

Title Field Officer, OME Region II
Government Representative

Date July 6, 1966

(INSTRUCTIONS ON REVERSE)

Re: Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR's MONTHLY NARRATIVE REPORT

During the month 120 ft. of drifting was completed along the vein zone in the center of the target area. The faces in the two drift headings are at 100 ft. to the northeast and 75 ft. to the southwest of the end of the crosscut, as shown on the attached progress map. Several veins have been cut in the work. A vein 0.25 to 1.50 ft. in width has been followed to the southwest, angling from the center of the heading out the left wall as work progressed. So many smaller veinlets and cross-fractures occur that it cannot be said with certainty that this is a single, continuous structure. It is quite likely that three or four narrow structures are involved. The mineralization appears to mainly be quartz, although post-ore brecciation and iron-manganese staining certainly obscure the structural relationships. To the northeast, the veining swings around a bit more to the east, and many structural complications indicate that more than one vein is involved, although none is as much as a foot in thickness. Because of the strike of the veins, the two drift headings, new line points at N 45° E and S 45° W have been put in, and these bearing will be held to the end of the drifting. It had previously been planned to drive on N 35° E and S 35° W bearings.

The elevation of the Black Hawk adit seems well chosen for exploration of the target area, for the base of general oxidation is right at the adit level where it passes into the center of the target area. The drift to the southwest is in completely oxidized rock with a pronounced tan color, and the work to the northeast went immediately into a bright blue unoxidized andesite. The more prominent veins in the drift to the northeast carry oxidation downward past the floor of the workings, but the walls are un-oxidized propylitized andesite.

Muck-pile samples have been collected of each round of advance (approximately five feet), and channel samples have been taken of all significant mineralization that has been cut in the crosscut and drifting. As assay map on a scale of 1 inch equals 20 ft. has been prepared, and copies have been enclosed. It will be necessary to add the assay values after the reports are sent back. Copies of all assay reports will be sent on a current basis to Mr. Stager in Menlo Park.

Advance the past week has been very rapid, and the long-hole drilling contractor has been alerted to begin work just as soon as one of the drifts is completed.

Respectfully submitted,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

Reno, Nevada
July 1, 1966

METALLURGICAL LABORATORIES INC.

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

Rev.

1142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Dr. Anthony L. Payne
Box 8063 University Station
Reno, Nevada

Date July 5, 1966

OME-6500

Sample of Minerals

LABORATORY NO. 6066

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
1355	0.005	0.17	0.38	0.49			
1356	0.005	0.17	0.22	0.28			
1357	0.01	0.35	0.93	1.20			
1358	0.01	0.35	0.08	0.10			
1359	0.01	0.35	0.33	0.42			
1360	0.04	1.40	0.13	0.16			
1361	0.01	0.35	0.10	0.12			
1362	Trace		0.04	0.05			
1363	Trace		0.03	0.03			
1364	Trace		Trace				
1365	0.04	1.40	0.10	0.12			
1366	0.005	0.17	0.03	0.03			
1367	0.005	0.17	0.07	0.09			
1368	0.03	1.05	0.16	0.20			
1369	0.01	0.35	0.04	0.05			
1370	0.005	0.17	0.03	0.03			
1371	Trace		0.03	0.03			
1372	Trace		Trace				

RECEIVED
JUL 13 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

METALLURGICAL LABORATORIES INC.

By [signature]

METALLURGICAL LABORATORIES INC. CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

OME-6500

Submitted by Dr. Anthony L. Payne
Box 8063 University Station
Reno, Nevada

Date July 5, 1966

Sample of Minerals

LABORATORY NO. 6066

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		Arsenic %	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
1373	Trace		0.06	0.07			
1374	0.005	0.17	0.15	0.19			
1375	0.005	0.17	0.06	0.07			
1376	0.02	0.70	0.04	0.05			
1377	0.025	0.85	0.04	0.05			
1378	0.005	0.17	0.10	0.12			
1379	0.005	0.17	0.02	0.02			
1380	Trace		Trace				
1381	0.005	0.17	0.08	0.10			
1382	0.005	0.17	0.02	0.02			
1383	0.01	0.35	0.03	0.03			
Comp. 1369-83					0.08		

RECEIVED
JUL 13 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

METALLURGICAL LABORATORIES INC.

By [signature]

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	RMSmith	120S
6/22/66	Skibarno	120K
"	Johnson	110
		220
		120 m

JUN 23 1966

AIRMAIL

Great Basin Exploration Company
P. O. Box 8063
University Station
Reno, Nevada

Re: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract Z213

Gentlemen:

Your letter of June 1, 1966, to Mr. H. K. Stager, Field Officer, Office of Minerals Exploration, protesting our denial of your request to increase the Fixed Unit Costs of long-hole drilling, has been forwarded to this office for reply.

We are pleased to inform you that your letter provides the basis for approval of an amendment in accordance with your request. Amendment No. 2 has been mailed to the Field Officer, Region II, for his approval and transmittal.

We wish to thank you for your explanation of the circumstances that distinguish your specific request from the general case, and at the same time to assure you that your confidence in the Field Officer to represent this office with exceptional ability is well placed. The workload in the Regional Offices does not permit Field Officers to compile written reports that are primarily the Operator's responsibility. Had you furnished the present written justification for your request when the contract was signed or when the request was submitted, the amendment could have been prepared when requested.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region II
Mr. Smith RMSmith/mm (6/14/66)

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

June 13, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 15 1966
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Interim Inspection

The Silver Hill Property was inspected on June 8, 1966. Mr. Payne had planned to meet me at the property for the inspection but was detained in northern Nevada and was not able to make the appointment.

Work on the project, completed since the last inspection on March 13, 1966, consisted of completing the rehabilitation of the Black Hawk adit, slabbing out part of the old crosscut, completing the crosscut, cutting one drill station, driving the northeast crosscut 45 feet and the southwest crosscut 35 feet, repairs to the access road, and construction of a powder magazine.

The two-man crew that started the work quit on May 26th. The reason given for their leaving was their objection to the "long" hand-tramming necessary. This amounts to a distance of a little over 400 feet from the present drift faces to the dump. A new crew of two miners started work on June 1, 1966, and are advancing the drifts at the rate of about 10-12 feet per day.

No significantly mineralized quartz veins have been discovered in the new workings to date. Narrow quartz veinlets are being followed in both drifts but these do not exceed about 6 inches in width.

Mr. Payne plans to visit the Field Office during the week of June 13-17, 1966, to discuss the project and future plans.

H. K. Stager

DRAFT
5/18/66
RMSmith/gla

Docket copy

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Great Basin Exploration Company, hereinafter called the "Operator," that Exploration Contract 2213 (OME-6500), dated December 30, 1965, as amended, is further amended effective May 15, 1966, as follows:

In Exhibit A

1. Under the heading Description of the Work, the second paragraph as amended is revised to read as follows:

After the initial work is completed, extend the Black Hawk adit approximately 105 feet to the center of the anomalous area and therefrom drift about 150 feet in either direction, preferably on a quartz vein. Total advance shall not exceed 405 feet as indicated on Fig. 1 entitled, "Silver Hill Project, etc." attached hereto and made part hereof.

2. Under the heading Estimated Costs of the Project, Fixed Unit Costs,

(a) The eighth item as amended is revised to read as follows:

Drifting and crosscutting

405 feet @ $35.00/foot $14,175.00

(b) The ninth item (timbering) is deleted.

(c) The eleventh and twelfth items are revised to read as follows:

Long hole drilling
2,300 feet @ $3.10/foot 7,130.00

This amendment shall not be construed to increase the estimated total cost of the contract or the aggregate amount which the Government may be required to contribute.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

GREAT BASIN EXPLORATION COMPANY

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 6 1966

INITIALS	CODE
	220
	~~220~~ 117
JEJ	~~140~~
RMG	120

Memorandum June 2, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Enclosed are the vouchers for work done on the subject contract during May 1966.

Also enclosed is a letter from the Operator, dated June 1, 1966, protesting the denial of his request for an increase in the cost allowable for long-hole drilling. Perhaps I was at fault in encouraging them to sign the contract, but time was pressing and I honestly thought the question of long-hole drilling costs could be resolved at a later time. I plan to meet with Mr. Payne next week for a joint visit to the property and will discuss the problem further with him at that time.

H K Stager
H. K. Stager

Enclosures

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 2, 1966

Mr. Anthony L. Payne
Great Basin Exploration Co.
P.O. Box 8063 University Station
Reno, Nevada

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Dear Mr. Payne:

Your vouchers for work done on the subject contract during May were received June 1, 1966, and will be forwarded to Washington, D. C. today. I am also forwarding a copy of your letter of June 1, 1966, protesting the denial of your request to increase the unit cost for long-hole drilling.

I plan to arrive in Hawthorne, Nevada the evening of June 7 and will visit your Silver Hill project on Wednesday, June 8, 1966. I will probably be staying at the Rocket Motel in Hawthorne and will try to contact you at the El Capitan when I arrive Tuesday evening. I hope we can talk over the project in Hawthorne, and at the property, and decide what method of exploration will yield the best results and will be the most economical for both you and the Government.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, WDC
D RF
ACG RF
MP RF
File 6500
HKStager:mlb

Rec'd June 6, 1966

THONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

June 1, 1966

Mr. Harold K. Stager, Field Officer
Region II, Office of Minerals Exploration
United States Geological Survey
345 Middlefield Road
Menlo Park, California

OME-6500 (Silver, Gold)
Silver Hill Project
Aurora Mining District
Mineral County, Nevada

Dear Mr. Stager:

This letter is in reply to our telephone converstion of last Thursday, May 26th, in which you advised me that Washington had denied Great Basin Exploration Company's request to apply un-spent contract funds to long-hole drilling costs.

Mr. von Hafften and I have carefully reviewed all aspects to the project during a visit to Silver Hill last week-end, and we feel strongly that a vigorous protest is in order.

In our telephone conversation last week you gave Washington's reason for the denial as a refusal to negotiate a contract "fixed-unit cost" item upward, unless a clear case could be demonstrated of mutual misunderstanding or drastic change in project conditions subsequent to signing of the contract.

Mr. von Hafften and I certainly would agree with the fairness of this interpretation in the general case, but do not feel that it applies to our specific request.

At no time has any OME representative contended that our estimated costs for long-hole drilling were high, nor has anyone seriously questioned whether or not long-hole drilling is the appropriate method of exploration on the Silver Hill project. Mr. Fillo had once advised us that Washington would not react favorably to over-all long-hole drilling costs of "much over a dollar a foot". This cannot be so, for amortization and repair of the basic equipment would come to more than a dollar a foot. We nevertheless furnished Mr. Fillo with detailed published costs of an extensive, well-conducted program of long-hole exploration drilling at Molybdenum Corporation of America's Questa mine in New Mexico. We furnished private costs of extensive blast-hole drilling using this method at Union Carbide Nuclear's Pine Creek mine. We furnished our own estimate of costs, as well as estimates of three contractors, all of whom were seriously interested in the contract. All of these estimated costs are closely comparable, the minor differences reflecting the manner in which equipment costs were calculated. We awarded the drilling contract to Centennial Development Company, in

True for std size holes

DMEA 4568. Diamond drilling 9,000 @ $5.00

equipment

spite of their modestly higher bid, for they were the only contractor who has a new, independent rotation, PR-123 drill and experienced operator. They also enjoy a fine reputation for fast, high-quality work. We are not concerned with speed solely as a means of keeping supervision and overhead costs down, but also because long-hole drilling, if done rapidly, produces a far superior sample in this type of prospect. Here gravity sepration of heavy precious metals and ore sulphide minerals often occurs where laborious drilling methods agitate and prolong removal of the sample of the hole. In spite of the over-all cheaper cost of long-hole drilling, it is believed to the superior method in this case.

When Great Basin Exploration Company received the OME contract, you will recall our enthusiasm add belief that we could perform well under it except for the drilling. I told you at that time that, with the exception of the unrealistically low drilling costs, this was the finest contract I had seen in the several Government exploration assistance programs. In spite of our enthusiasm for the rest of the contract, I told you that it was our intention to return it for reconsideration of the drilling costs, for we certainly could not do it at those prices. You advised against returning the contract and were of the opinion that great delay would result. You suggested that after the contract was underway, of other items in the contract went well (for example, if need for timbering was slight, as proved to be the case) we might apply un-spent contract funds toward the long-hole drilling. You pointed out that the long-hole drilling was the last item to be performed on the contract, and that there was certain to be some un-spent money available "for switching". This possibility had not occurred to us, and we were delighted to proceed on this basis, for some rather large property payments loom up in the future(see lease and option agreements appended to original OME application) and we were already apprehensive about the many delays in getting started with physical exploration. However, had we not been encouraged to defer discussion of the long-hole drilling until after the work was well underway, we would not have signed the contract, and would have asked for re-consideration of the drilling costs. If this re-consideration were in turn denied, we might not have signed the contract at all, for there are no other contract items where generous cost estimates have been allowed, and subsequently all items have cost at least as much as the contract specifies.

TRUE! HKS

I DO NOT RECALL HAVING SAID THIS. HKS

You emphasized to us that there would be no funds availalbe beyond the basic $33,000.00 contract on a 62½% government participation basis. You made it very clear that any additional money beyond this basic contract allowance would have to result from a completely new application, based upon significant encouragement in the original contract work.

Great Basin Exploration Company, as is probably the case with any small contractor, must look upon the Regional Field Officer as an agent of the Office of Minerals Exploration. We cannot afford the expense of travel, etc., in dealing with the Washington office directly. If we cannot depend upon such a representative to provide

a modest amount of flexibility in discussing and negotiating relatively small items such as the subject of this request, the program certainly becomes unwieldy, and we would be afraid to do anything without written authorization from Washington. A small organization simply can't operate this way. We do not believe that any group such as ours would anticipate dealing directly with Washington in each and every detail such as this. We feel that we have communicated freely with you as Regional Field Officer. We feel that we have performed our obligations well, and that our end has been handled fairly. For example, when we found that 135 ft. of old tunnel extended past the old cave, it would have been a relatively simple matter to not say anything, slab out to standard 5'/7' size, and charge the full $35/ft. rate against the contract. This saving of about $2500- added to the amount already allowed and other unspent funds, would almost be enough to cover the basic cost of drilling 2300 ft. of long-hole at $4225 per foot, our actual contract cost with Centennial Development Company.

TRUE! and ?

We respectfully request that our application for un-spent contract funds to be applied to long-hole drilling be re-considered.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

ALP/s

cc: Mr. Stager, to be forwarded to Washington OME
Mr. Alexander von Hafften
files

RECEIVED
JUN 1 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

OME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 10 1966
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6500
Contract No. 2213
14-23-090-
Contract Amount $33,000.00
Gov't. Participation % 62½ $ 20,625.00
Mineral(s) Silver, Gold

OPERATOR'S MONTHLY VOUCHER

For Month of May, 1966

Operator's Name Great Basin Exploration Company
Address P. O. Box 8063 University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Trailer rental	180.00	398.52	578.52			
Trailer utilities	8.00	17.68	25.68			
Mob.-Demob. trailers	-o-	120.00	120.00			
Rental small loader	260.00	520 ~~260~~.00	780.00			
Mobilize small load.	-o-	50.00	50.00			
Slab out (135ft.)	-o-	2,274.75	2,274.75			
Crosscut (105 ft.)	1,470.00	2,205.00	3,675.00			
Rehab. Black Hawk	-o-	1,375.00	1,375.00			
Drill Station (I)	100.00	-o-	100.00			
Drift (55 ft.)	1,925.00	-o-	1,925.00			
Water Tanks	-o-	200.00	200.00			
Tool Shed	-o-	170.00	170.00			
Powder Magazine	350.00	-o-	350.00			
Bulldozer 25 hrs $16	400.00	608.00	1,008.00			
Mob.-Demob. bulldozer	100.00	100.00	200.00			
Road improvement	624.00	-o-	624.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	5,417.00	8,038.95	13,455.95			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date June 1, 1966 *Payee Great Basin Exploration Co.

Per Anthony J. Payne Title Partner

Anthony J. Payne

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3385.63

Signature 14X0804
(Authorized Certifying Officer)

Date JUN 10 1966 Vou. No. 9351

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H B Stager Title FIELD OFFICER Date JUNE 1, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H B Stager Title FIELD OFFICER Date JUNE 1, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of May, 1966 Docket No. OME-6500

Operator's Name Great Basin Exploration Company Contract No. 14-23-0[illegible]213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	300'	55'	55'	$1,925.00	55	55	$1,925.00
Crosscutting	105'	42'	105'	3,675.00	42	105	3,675.00
Raising							
Shafts							
Winzes							
Other Underground slab	135'	-o-	135'	2,274.75	0	135	2,274.75
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
rill stations Churn	9	1	1	100.00	1	1	100.00
Percussion	2300'	-o-	-o-	-o-			
Miscellaneous							
ee Remarks below				1,754.20			1,754.20
Roads and Trails	63hr	25hr	63hr	1,008.00	25	63	1,008.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs	Access road			624.00			624.00
Rehabilitation of Mine Workings	Black Hawk adit			1,375.00			1,375.00
New Buildings, Fixtures, etc.	Water, shed, magazine			720.00			720.00
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$13,455.95			$13,455.95

REMARKS

	Allowed	This mo.	To date
railer rental	$1,080.00	$180.00	$578.52
railer utilities	48.00	8.00	25.68
ob-Demob trailers	240.00	-o-	120.00
ental small loader	1,560.00	260.00	780.00
ob-Demob small load.	100.00	-o-	50.00
ob-Demob bulldozer	200.00	100.00	200.00
	$3,228.00	$548.00	$1,754.20

(Continue on back)

REMARKS

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 1, 1966 Operator Great Basin Expl. Co.

Per Anthony L. Payne Title Partner

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title FIELD OFFICER, OME REGION II
Government Representative

Date JUNE 1, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27162

Re: Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR'S MONTHLY NARRATIVE REPORT

During the month 42 ft. of crosscut was completed to the center of the target area, as shown on the attached progress map. In the last 60 ft. of crosscut advance, numerous 1/2" to 4" mineralized quartz stringers have been cut at almost right angles, corresponding well with the structures seen at the surface in the center of the anomaly. The andesite walls of the veins are chloritized (propylitized), and adularia and sericite are seen from place to place in the vein material. Manganese oxide staining of the veins is promienent. Several of the veinlets show slickensides, clayey gouge, etc., indicative of post-mineral movement. Several of these observations tend to lend support to the idea that precious metals in the Silver Hill area may have been subject to supergene mobilization and possible bonanza enrichment. At the present depth of work (100 ft. below the surface), supergene oxidation is seen only along the quartz veinlets, where fault movement and chemical break-down ofpyrite may assist in movement of solutions. The pyrite in the andesite wall rock is fresh an bright in the green chloritized matrix.

The drift headings were turned to the right and left on one of the more obvious zones of veining, but in 32 ft. of advance to the northeast and 23 ft. of advance to the southwest, it is already apparent that none of these veinlets is persistent enough yet to follow. The two drift headings will be drivem on bearings N 35° E and S 35° W. Muck-pile samples are being collected after blasting each round (approximately each five feet). No assay results have been reported back yet. A composite of the first few samples will be run for arsenic in order to gain a general idea of the strength of primary arsenic metallization here.

The contractor's crew quit unexpectedly on May 26th, and at the end of the month the project stands idle. The contractor is optimistic about hiring a new crew in Bishop within a few days. The project is in excellent shape just now. The turns into the drifts have gone well, and the headings are now straight enough to replace the sliding rails under the mucking machine. The rock drills andblasts well, and the only complaint is the lengthening hand-tram to the dump.

On May 26th, Mr. Stager infomned Great Basin Exploration Company that their request for an amendment to apply remaining un-spent contract funds toward the long-hole drilling was denied. The denial was on the basis that nothing has changed to modify the "fixed Unit" costs agreed to at the time of signing. Such is not the case, and Great Basin Exploration Company has decided to strenuously protest this denial. A separate letter of protest is enclosed.

Respectfully submitted,

Anthony L Payne

Anthony L. Payne
Mining Geologist

Reno, Nevada
June 1, 1966

187886

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U.S. GEOLOGICAL SURVEY
JUN 9 8 37 AM '66
BUDGET & FINANCE

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/24	RMSmith	120
5/24/66	Kirkham	120
		110
5/26	cae	220
		120M

AIRMAIL

MAY 24 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

The Operator's request transmitted by your memorandum of May 4, 1966, for an amendment to the subject contract to increase the unit costs of the planned long hole drilling cannot be approved without additional justification.

While it is evident that the Operator's costs will exceed the amounts allowed by the contract, and will even exceed the estimates made by the Operator in the original application, nevertheless the conditions under which the contract was accepted are fundamentally unchanged.

In general, fixed unit costs may not be increased by amendment unless it can be demonstrated that there was a mutual error in estimating the costs. As this criterion is not met in this instance, will you please inform the Operator that its request is denied.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Smith
130

RMSmith/gla 5-24-66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

May 4, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 6 1966
INITIALS | CODE
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110
120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

The Operator has requested that, if possible, the subject contract be amended to allow an increase in the unit costs of the planned long-hole drilling. I discussed this with Roscoe Smith by telephone this morning and he thought it possible that an adjustment could be made.

The original estimates for this work, contained in the application, were $1.91 per foot for 1,800 feet of +5° long-hole drilling ($3,438.00) and $2.85 per foot for 500 feet of -45° long-hole drilling ($1,425.00). These estimates were also used by Mr. Fillo in his Application Report on November 10, 1965. On November 30, 1965, Mr. Payne supplied additional cost estimates that reflected increased costs for this type of drilling to about $3.90 per foot. The contract as approved and signed contained Fixed Unit Costs of 1,800 feet of +5° drilling at $1.50 per foot ($2,700.00) and 500 feet of -45° drilling at $2.25 per foot ($1,125.00). The Operator, in attempting to contract this drilling, received bids from Boyles Bros. for $3.50 to $3.85 per foot for the 2,300 feet of drilling and from Mine Services Company, the contractor doing the drifting and crosscutting, the same range of costs as Boyles Bros. Neither of these contractors had the heavy-duty equipment necessary to do an efficient job. A bid was then obtained from Centennial Development Company, who has the equipment and personnel available to do the kind of job desired, for 2,300 feet of drilling at $3.75 per foot. This bid has been accepted by the Operator (copy attached).

The Operator requests that the excess money resulting from Amendment No. 1 ($2,450.25) be applied to drilling costs along with the amount contained in the contract for timbering ($864.00) that, it is now apparent, will not be needed. These amounts, added to the $3,825.00 already allowed, would make a total available of $7,139.25. If the contract can be amended to allow $3.10 per foot for 2,300 feet of long-hole drilling ($7,130.00) it will help greatly to defray the actual costs that will be incurred when this drilling is started, about June 15, 1966, without increasing the total cost of the contract.

Will you please give me an opinion on the possibility of this change so that I can inform the Operator.

H. K. Stager

Enclosure

Phone Stager 5/16/66:

These longholes are longer than ordinary and require a larger compressor and drill than those on which Boyles Bros. and Mine Services based their bids. Centennial has the larger equipment and can be expected to complete the job satisfactorily. The Operator signed a contract with Centennial subsequent to signing the OME contract and will employ them regardless of what costs OME allows.

Longholes	Contract	Boyles	Mine Services	Centennial
+ 5°	$1.50	3.50	3.50 +	3.75
- 45°	2.25	3.85	3.85 +	3.75

HAROLD B. SPENCER, PRESIDENT
JAMES QUIGLEY, VICE-PRESIDENT
ROBERT E. WATT, SEC'Y-TREASURER

P. O. BOX 290
TELEPHONE 433-6876
AREA CODE 801

CENTENNIAL DEVELOPMENT COMPANY

MINING ENGINEERS AND CONTRACTORS

EUREKA, UTAH

March 15, 1966

Great Basin Exploration Company
c/o Mr. A. L. Payne
Box 8063, University Station
Reno, Nevada

Gentlemen:

The following will confirm our mutual understanding of the terms and conditions under which we have agreed to accomplish a program of underground drilling at Aurora, Nevada. It is intended that this letter, properly signed by the two parties, will constitute the Agreement between ourselves.

We, as Contractor, agree as follows:

1. To provide labor and supervision, materials, operating supplies and all equipment necessary for drilling of approximately twenty-three 2" diameter test holes, 100 ft. depth, eighteen of which are at a 5 degree angle and five at a 45 degree down angle, all from five drill stations located along a 300 ft. drift.

2. To carry, at his own expense, all required insurance necessary to protect and hold Owner harmless against any and all liability arising from Contractor's operations, and to pay all taxes and to conform to all governmental laws and ordinances applicable to his work.

3. To conduct the drilling operations, insofar as requirements are consistent with normal efficient operating procedures, in a manner to best accomplish Owner's objectives in regard to sampling of the formations.

4. It is intended to work on a six day single shift basis, completing the program in approximately one month, starting soon after April 15, 1966.

CENTENNIAL DEVELOPMENT COMPANY

Owner agrees as follows:

1. To provide track and piping for air and water to the drill stations, including valves at each location.

2. To provide a water pressure and storage system located on the dump.

3. To allow Contractor to make use of your geologist-engineer on the job to service Contractor's compressor, haul water with his truck and generally help out, insofar as he can spare the time from sampling and other duties.

4. To pay contractor at the rate of $3.75 per ft. of completed hole, to be invoiced on a calendar month basis, due and payable on the 10th of the month following. If it proves impractical for the Company geologist to haul water and service the compressor, necessitating Contractor's hiring another man for these operations, add $0.50 per ft.

If the above is in accordance with your understanding of our agreement, please execute in duplicate in the space provided below and return one copy for our files.

Very truly yours,

Centennial Development Company

H B Spencer

H. B. Spencer

Approved and Accepted:

Great Basin Exploration Company

By Anthony L. Payne

Dated March 17, 1966

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
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Memorandum

May 4, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Enclosed are the original and one copy of Amendment No. 1 of the subject contract, properly executed by the Operator. The remaining copies of the amendment have been distributed in the usual manner.

Also enclosed are the vouchers for the month of April 1966. Claimed on this voucher is the entire cost of slabbing the 135 feet authorized by Amendment No. 1. This includes the 95 feet disallowed on the March voucher. The original of the March Administrative Suspension Statement is attached.

H. K. Stager

Enclosures

MME FORM 60
SEPT. 1959

OFFICIAL COPY O. M. E. RECEIVED MAY 12 1966 INITIALS CO-E

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $ 33,000
Gov't. Participation 62½ $ 20,625
Mineral(s) Silver, Gold

OPERATOR'S MONTHLY VOUCHER

For Month of April, 1966

Operator's Name Great Basin Exploration Company
Address P. O. Box 8063 University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Boldozing						
Trailer rental	180.00	218.52	398.52			
Drifting						
Trailer utilities	8.00	9.68	17.68			
Crosscutting						
Rent small loader	260.00	260.00	520.00			
Drilling						
Mobilize loader	-0-	50.00	50.00			
Slab out 135 ft.	2,274.75	-0-	2,274.75			
Crosscut 63 ft.	2,205.00	-0-	2,205.00			
(2) Personal Services:						
Rehab. tunnel	-0-	1,375.00	1,375.00			
Supervision & Technical						
Water supply	-0-	200.00	200.00			
Outside Consultants						
Tool shed	-0-	170.00	170.00			
Labor						
Mobilize bulldozer	-0-	100.00	100.00			
(3) Operating Mat'l & Supplies:						
Mobilize trailers	-0-	120.00	120.00			
Timber						
Bulldozer work	-0-	608.00	608.00			
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	4,927.75	3,111.20	8,038.95			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 1, 1966 *Payee Great Basin Exploration Co.

Per Anthony L. Payne Title Partner

Anthony L. Payne

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3079.84

Signature 14X0804 (Authorized Certifying Officer)

Date MAY 12 1966 Vou. No. 8549

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature [illegible] Title FIELD OFFICER Date MAY 3, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature [illegible] Title FIELD OFFICER Date MAY 3, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of April, 1966 Docket No. OME-6500

Operator's Name Great Basin Exploration Company Contract No. 14-23-090-2213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting: Enlarge crosscut	135'	135	135	$2,274.75	135	135	$2,274.75
Crosscutting	105	63	63	2,205.00	63	63	2,205.00
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Note 1/				260.00	260.00		
Note 2/				188.00	188.00		
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
Total from previous months				$3,111,20			$3,111,20
TOTAL TO DATE (per MME Form 60)				8,038,95			8,038,95

REMARKS

Note 1/ Rent, fuel, upkeep small loader

Note 2/ Trailer, rental-utilities

(Continue on back)

REMARKS

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 1, 1966 Operator Great Basin Exploration Co.

Per Anthony L. Payne Title Partenr

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H B Stager

Title Field Officer, OME Region II
Government Representative

Date May 3, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27168

Re:
Docket No. OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada
a

OPERATOR'S NARRATIVE REPORT

During the month, slabbing out and re-grading of the 135 ft. of old crosscut was completed, and 63 ft. of new crosscut was driven. The present face is 42 ft. short of the turning point on the drifts in the center of the target area.

Geologic mapping and sampling of the crosscut will be done once drifting has started. Several quartz veins have been cut in the last 20 ft. of advance, and these correlate well with the structure at the southeast edge of the target on the surface.

Transit and tape surveys have been completed on 20-scale to about half way through the report period, copies of this map are enclosed.

The large compressor is still down, and the contractor has experienced a bit of personnel trouble, slowing progress during the month. All is going well now, and it is hoped to reach the drift turning point at the end of the first week in May.

Respectfully submitted,
Anthony L. Payne
Anthony L. Payne
Mining Geologist

Reno, Nevada
May 1, 1966

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

May 1, 1966

Mr. Harold K. Stager, Field Officer
Office of Minerals Exploration
United States Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find enclosed four copies of the monthly report for April, 1966, for Great Basin Exploration Company's Silver Hill project Aurora Mining District, Mineral County, Nevada, OME Project Contract No. 2213.

Yours very truly,

Anthony L. Payne

Athony L. Payne
Mining Geologist

ALP/jc

cc: 3 copies to Mr. Stager ✓
Mr. von Hafften
files

COPY 2

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 26, 1966

Mr. Anthony L. Payne
Great Basin Exploration Co.
P.O. Box 8063 University Station
Reno, Nevada

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

~~110 M~~
~~110~~
1208

Dear Mr. Payne:

Enclosed are the original and three copies of proposed Amendment No. 1, signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed Amendment meets with your approval, please sign and return the following copies to this office:

Government's copy
Budget and Finance's copy
Field Office's copy

The Operator's copy should be retained for your files.

If any part of the proposed Amendment does not meet with your approval, the original and all copies should be returned to this office with your proposed changes for consideration.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures-4

cc: Chief, OME, WDC
D RF
ACG RF
MP RF
File 6500
HKStager:mlb

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/15	RM Smith	20S
"	Kirkemo	20K
4/18	Johnson	110
4/19	Kielgaard	220
4/20	Keyser	
		110
4/21	Cal	220
		120M

APR 21 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

Referring to your memorandum of March 25, 1966, enclosed are the original and three copies of a proposed Amendment No. 1 (two pages) to the subject contract signed for the Government. An extra copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

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

GLAult/gla 4-15-66

23263

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

OFFICIAL COPY
O. M. E.
RECEIVED
APR 22 1966

INITIALS	CODE
	120
JEL	110
RMA	1208

RECEIVED
APR 12 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

April 10, 1956

Mr. Harold K. Stager
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find submitted four copies of the monthly report for March, 1966, for the Silver Hill Project, Mineral County, Nevada, PME Project Contract No. 2213.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

COPY 1

MMS FORM 60
SEPT. 1959

OFFICIAL COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $33,000.00
Gov't. Participation 62½% $ 20,625
Mineral(s) Silver, Gold

OPERATOR'S MONTHLY VOUCHER

For Month of March, 1966

Operator's Name GREAT BASIN EXPLORATION CO.
Address P. O. Box 8063, Univ. Sta., Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing 22 hrs.	352.00	256.00	608.00			
Trailer rental	180.00	38.52	218.52			
Trailer utilities	8.00	1.68	9.68			
Mobilize small loader	50.00	--	50.00			
Rent, fuel, " "	260.00	--	260.00			
Rehab. Black Hawk	1,375.00	--	1,375.00			
Build toolshed	170.00	--	170.00			
Water supply system	200.00	--	200.00			
Slab out 95 ft.	1,811.65	--	1,811.65			
Timber 4 ft						
Mobilize bulldozer	--	100.00	100.00			
Mobilize trailers	--	120.00	120.00			
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$4,406.65	516.20	$4,922.85			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 10, 1966 Payee Great Basin Exploration Co.

Anthony L. Payne

Per Anthony L. Payne Title Partner

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1671.88

Signature 14X0804
(Authorized Certifying Officer)

Date APR 28 1966 Vou. No. 8209

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H K Stager Title FIELD OFFICER Date APRIL 20, 1966

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H K Stager Title FIELD OFFICER Date APRIL 20, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of ~~April~~ March, 1966 Docket No. OME-6500

Operator's Name GREAT BASIN EXPLORATION COMPANY Contract No. 14-23-090-2213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting: Slab small drift	135	90	90	$1,811.65	~~90~~	~~90~~	0
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Note 1/				310.00			310.00
Note 2/				188.00			188.00
Roads and Trails	63hr	22	38 hrs.	$608.00	22	38	608.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings: Black Hawk adit				1,375.00			1,375.00
New Buildings, Fixtures, etc.: Tool shed, water syst				370.00			370.00
Operating Equipment Purchases							
Analytical Work				260.20			260.20
Total from previous months				~~516.20~~			
TOTAL TO DATE (per MME Form 60)				$4,922.85			3,111.20

REMARKS
Note 1/ Mobilize small loader. Rent, fuel, upkeep of small loader.
Note 2/ Trailer rental, utilities.

(Continue on back)

REMARKS
4' TIMBERING LISTED BUT NOT CLAIMED (4' x $8 = $32).
95' OF SLABBING @ $1,811.65 DISALLOWED PENDING EXECUTION OF AMENDMENT No. 1

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date April 10, 1966 Operator Great Basin Exploration Co
Anthony L. Payne
Per Anthony L. Payne Title Partner

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]
Title FIELD OFFICER, OME REGION II
Government Representative
Date April 20, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Re:
Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR'S NARRATIVE REPORT

March, 1966

Work during the month continued to emphasize underground rehabilitation of the Black Hawk tunnel. On March 19th the last of the cave in the face was cleaned up, and 135 feet of undersized crosscut was found to continueon toward the target area (please refer to my letter of March 23, 1966).

Slabbing out of this heading to standard 5' x 7' size, regrading, and installation of rail, air, and water lines has progressed 95 feet during the report period, to within 40 feet of the old face. The old face is good,sound rock, and there are no workings leading off from this small crosscut. Uneven floor has proved to be more troublesome than slabbing the back and one wall, but the old face will rapidly be gained during the first few days of April. The first vein structure should be intersected in the next 40 to 50 ft. of advance.

The wooden tool shed has been completed, water supply system installed, and the wooden door and breastboard-cover placed.

No major difficulty was encountered during the month. Illness due to flu slowed things up for a week or so at mid-month, and the compressor required repair work during the last week of March.

Emphasis will continue to be placed on underground work during April, and it is hoped that the long-hole drilling may be started early in May. A contract with Centennial Development Co. of Eureka, Utah, has been signed for this work.

Respectfully submitted,
Anthony L Payne
Anthony L. Payne
Mining Geologist

Reno, Nevada
April 10, 1966

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

April 10, 1956

RECEIVED
APR 12 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Mr. Harold K. Stager
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find submitted four copies of the monthly report for March, 1966, for the Silver Hill Project, Mineral County, Nevada, PME Project Contract No. 2213.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

COPY 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Great Basin Exploration Co.
P. O. Box 6063, University Sta.
Reno, Nevada

Amount Claimed:	Differences (Explained Below)	Amount Approved
$4,406.65	$1,811.65	$2,595.00 $1,621.88 Govt. Share
Bu. Voucher No.	Payee's Invoice No. OMB # 8500 Contract # 2213	Period March, 1966

EXPLANATION

95 Ft. of Slabbing Disallowed $1,811.65
Not under contract

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

E. Gibson
Branch of Budget and Finance

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR, Rm. 6554~~ Long ~~Through Rm. 6042~~		
2. Mr. Smith, Rm. 4459	4/5/66	RMS.
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: L-65-2080.11

INTERIOR DEPT.

APR 7 1966

SOLICITOR

RECEIVED

APR 7 1966

Division of Mineral Resources

General Legal Services

FROM SOLICITOR

APR 14 1966

FOR SIGNATURE

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

DRAFT
RMSmith/gla
4-4-66

Docket Copy
HK

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

AMENDMENT NO. 1

It is agreed this _____ day of _ _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Great Basin Exploration Company, hereinafter called the "Operator," that Exploration Contract 2213 (OME-6500), dated December 30, 1965, is amended effective the date of the contract as follows:

In Exhibit A,

1. Under the heading Description of the Work,

(a) The opening paragraph is revised to read as follows:

The initial work under this project shall consist of road improvement and repair, including the installation of three iron drain culverts not less than 30 inches by 15 feet in size; camp site and portal preparation at the Black Hawk adit; complete rehabilitation of the Black Hawk adit, including cleanup and all pipe, rail, and necessary timber with a door at the portal; preparation and installation of a water supply system, including necessary tanks; and the construction of a powder magazine and a tool shed. The initial work shall also include enlarging to 5- by 7-foot size and regrading as necessary the last 135 feet of the Black Hawk adit from the Black Hawk vein to the face of the adit.

(b) The second paragraph is revised to read as follows:

After the initial work is completed, extend the Black Hawk adit approximately 105 feet to the center of the anomalous area and therefrom drift about 185 feet in either direction, preferably on a quartz vein. Total advance shall not exceed 475 feet as indicated on Fig. 1 entitled, "Silver Hill Project, etc." attached hereto and made part hereof.

2. Under the heading Estimated Costs of the Project, Fixed Unit Costs,

(a) After the seventh item, Rehabilitation, the following item is added:

Enlarge to 5 by 7 feet and regrade
Black Hawk adit, 135 feet
@ $16.85/foot $2,275.00 (rounded) 2/

(b) The eighth item is revised to read as follows:

Drifting and crosscutting,
475 feet @ $35.00/foot $16,625.00 2/

This amendment shall not be construed to increase the estimated total cost of the contract, nor the aggregate amount which the Government may be required to contribute.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

GREAT BASIN EXPLORATION COMPANY
By_____
Title

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

March 25, 1966

OFFICIAL COPY
RECEIVED
MAR 28 1966

	CODE
	740
	120
	120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada
Contract No. 2213

Enclosed is a letter from the Operator that is self-explanatory. I recommend that an Amendment to the contract be prepared to permit the slabbing out and rehabilitation of the 135 feet of old workings at the estimated costs. This will result in a considerable saving to both the Operator and the Government.

H. K. Stager

Enclosure

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

March 23, 1966

Mr. Harold K. Stager, Field Officer
Office of Minerals Exploration
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada

Dear Mr. Stager:

In accordance with our long distance telephone conversation this morning, I herewith request an amendment to the subject OME contract.

Saturday, March 19th, the caved material in the Black Hawk adit was finally cleaned up, and it is obvious that the material represents oxidized back fill from a rather extensive hand-sorting stope on the Black Hawk vein. We will continue to clean this stope out with a view toward mapping and sampling of any possible pillars to secure geologic-mineralogic information of significance to the work under Silver Hill to the northwest.

Behind the cave, the old crosscut continues 135 ft., although considerably reduced in size. This is an unexpected good stroke of luck, for the first 140 ft. of proposed new 240 ft. of crosscut was "dead work". Mr. Hartley carefully examined the tunnel and found the walls and face to all be sound rock. Quartz stringers and prominent manganese staining are obvious in the last ten or fifteen feet of old crosscut.

We plan to slab this tunnel out to 5 x 7 ft. dimensions, approximately double the present cross-sectional area of the workings. Grade was not carried perfectly, and it will be necessary to ballast, and perhaps pick up the floor from place to place. Great Basin's contractor has agreed to open this 135 ft. of old tunnel to 5 x 7 ft. in the clear, and we estimate our costs to be $19.07/ft., as per the enclosed detailed list of costs.

We wish to submit the cost of $19.07/ft. for slabbing out, installing track, air and water lines, etc., instead of the $35.00/ft., as provided for new crosscut in the contract.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

RECEIVED
MAR 25 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

ALP:gc
Encl.

cc: Mr. H. K. Stager
Great Basin Exploration Co.

ESTIMATE OF COSTS

(Proposed amendment to contract OME-6500, dated March 23, 1966)

Slab out to 5 x 7 ft. and re-grade 135 ft. of old small crosscut. Five day week, 1 shift/day, 13-1/2 ft./shift = 10 days. Wages: Miner - $2.75/hr., helper - $2.25/hr., averaging 13-1/2 ft./shift =

11 cu ft./foot = 1485 cu ft + regrading	$ 2.96/ft.
Insurance, social security, unemployment, etc. (16%).	0.47/ft.
Powder, fuse, detonators.	2.10/ft.
Compressor supplies.	1.08/ft.
Steel and bits.	0.85/ft.
Spikes, fish plates, nuts and bolts.	0.20/ft.
Ties, 4" x 4" x 30" on 2 ft. spacings.	0.25/ft.
Rail (16 lbs.). less 50% salvage	0.96/ft.
2" air line, with unions and couplings, etc. salvage	1.00/ft.
1" water line, with unions and couplings, etc. salvage	0.50/ft.
Equipment (compressor, 4 wheel drive truck, jackleg drill, air and water hoses, line oiler, mine cars, mucking machine, etc.).	3.65/ft.
Water haulage.	0.70/ft.
Housing. Monthly allowance duplicated	0.90/ft.
Engineering, accounting, reports.	1.10/ft.
Supervision.	1.75/ft.
Repairs of all equipment.	0.60/ft.
	$19.07/ft.
	- 2.13
	16.94

135 ft. @ $19.07 = $2,574.45

- 0.48
- 0.50
- 0.25
- 0.90
- 2.13

use 16.85 rounded

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

March 22, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 24 1966
INITIALS | CODE
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~~120~~ M
RMS | 120 S

Interim Inspection

The Silver Hill Property was inspected on March 18, 1966, accompanied by Mr. Gerald B. Hartley, Jr., mining engineer for the Operator.

This was the first inspection of the project since it was started on February 23, 1966. The road from Aurora has been cleared of snow, and the road to the Black Hawk adit has been roughed out and is passable to four-wheel-drive vehicles. There is still several feet of snow on the ground and the roads are muddy. A tool shed has been built near the portal and a 500-cubic foot LeRoi compressor is parked at the portal and operating. Air line (2-inch), water line (1-inch), and track (20-pound rail) have been installed in the adit. A mucking machine and one mine car are in use. Portal sets are being placed and several truckloads of timber, rail, fuel, and supplies are at the portal. The old Black Hawk adit has been cleared to the raise, at what is believed to be the end of the adit, and the sloughed and caved material from the raise was being removed at the time of the inspection. Work was progressing in a rapid and efficient manner. Mr. Hartley is supervising the work of two miners, and the driving of the new crosscut was expected to start as soon as the face was clear.

I have sent the Operator copies of Notice of Nondiscrimination in Employment and Equal Employment Opportunity posters to post at the property.

H. K. Stager

H. K. Stager

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

March 22, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 24 1966
INITIALS | CODE
KJ | 110
RMD | 12

Mr. Anthony L. Payne
Great Basin Exploration Co.
P.O. Box 8063, University Station
Reno, Nevada

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Dear Mr. Payne:

Enclosed are two copies each of Notice of Nondiscrimination in Employment and Equal Employment Opportunity posters to be posted in conspicuous places available to employees and applicants for employment at your Silver Hill property.

I made an Interim Inspection of your project on March 18, 1966. Mr. Hartley showed me about the surface and underground workings at the BlackHawk adit. Everything appeared to be going well and to be in good shape.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: D RF
Chief, OME WDC
ACG RF
MP RF
Docket 6500
HKStager:mlb

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

OFFICIAL COPY O. M. E. RECEIVED MAR 7 1966 INITIALS | CODE

March 1, 1966

Mr. Harold K. Stager
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find submitted the first monthly report, for the month of February 1966, for OME Contract 2213, being undertaken by Great Basin Exploration Company on Silver Hill, in the Aurora Mining District, Mineral County, Nevada. Work on the project began February 23, 1966.

Although only a few costs can be claimed as a result of these first few day's work, we are submitting them with the idea that files for the project may be set up, and the pathway cleared for minimum delay in processing of the March reports, which will by far the largest of the contract.

Future narrative reports will be accompanied by a 100-scale plan progress map, along with 20-scale geologic map and drill logs, once rehabilitation is completed and new work is in progress underground. If you desire additional information, please be assured of our cooperation.

Please note that for those "fixed unit" costs specified in the contract on a per month basis, costs have been calculated on the basis of the last 6 days of February being equal to 6/28ths of a month, or on a pro-rated basis. Feb 23-28

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

ALP/s

RECEIVED
MAR 3 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

COPY 1

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6500
Contract No. 14-23-090-2213
Contract Amount $ 33,000.00
Gov't. Participation % 62½ $ 20,625.00
Mineral(s) Silver, Gold

(Project started February 23, 1966)

OPERATOR'S MONTHLY VOUCHER For Month of February, 1966

Operator's Name GREAT BASIN EXPLORATION COMPANY
Address P. O. Box 8063 University Station, Reno, Nevada

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing 16 hrs.	256.00	---	256.00			
Mobilize bulldozer	100.00	---	100.00			
Trailer rental	38.52	---	38.52			
Mobilization trailers	120.00	---	120.00			
Trailer utilities	1.68	---	1.68			
(period February 23-28 = 6/28ths of month)						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$516.20	---	$516.20			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date March 1, 1966 Payee Great Basin Exploration Co.

Per Anthony L. Payne Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 322.63 Col P.

Signature 14X0804
(Authorized Certifying Officer)

Date MAR 18 1966 Vou. No. 7000

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2213

Signature H K Stager Title FIELD OFFICER Date MARCH 3, 1966

Approved by OME Executive Officer or Alternate: OME, REGION II

Signature H K Stager Title FIELD OFFICER Date MARCH 3, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

(Project started February 23, 1966)

OPERATOR'S PROGRESS REPORT For Month of February, 1966 Docket No. OME-6500

Operator's Name GREAT BASIN EXPLORATION COMPANY Contract No. 14-23-090- 2213

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	300'	--	--	--			
Crosscutting	240'	--	--	--			
Raising	0						
Shafts	0						
Winzes	0						
Other Underground 9 drill	sta.	--	--	--			
Drilling, Core-Diamond	0						
Rotary	0						
Drilling, Non-core-Diamond	0						
Rotary	0						
Churn	0						
Percussion	2300'	--	--	--			
Miscellaneous Note 1/							
Note 1/				$260.20			$ 260.20
Roads and Trails Note 2/	63hrs	16	16	256.00	16	16	256.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$516.20			$ 516.20

REMARKS

Notes: 1/ Mobilize bulldozer; mobilize, rent and upkeep house trailers.

2/ 16 hours of bulldozer work on road repair, at $16/hr.
(10 hours of snow removal not included with above, as not provided for in OME contract)

(Continue on back)

REMARKS

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date March 1, 1966 Operator Great Basin Exploration Co.

Per Anthony L. Payne Title Partner

Anthony L. Payne

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H. H. Stagner

Title Field Officer, OME Region II
Government Representative

Date March 3, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Re: Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

OPERATOR'S NARRATIVE REPORT

February, 1966

The Silver Hill project began on February 23, 1966, when the engineer and crew moved into the district with house trailers and bulldozer, along with a truck load of rail, ties, pipe, timber, lumber, culverts, etc., for use in road repair and improvement, surface contruction, and underground rehabilitation of the Black Hawk tunnel.

The road has been bladed clear of snow and repair work is underway. Framining of the tool shed has been started, track is being laid across the dump, and the slough around the portal has almost been cleaned up. Construction of a wooden door and breast boards at the portal has been started. Compressor, mucking machine, drills, etc., are being taken in at the close of the report period. Use of the large bulldozer ? in removing snow and towing compressor is not being charged against the OME contract, for no provision was made for this use of the equipment. Thus far, 16 hours of bulldozer time have actually been spent repairing road under provisions of the contract.

As soon as one crew is at work underground cleaning up the cave at the face with mucking machine, work will be resumed on repair and rehabilitation of the road. The water supply system will be installed after the road work has been done, for Emmeralda Spring and the stock tanks near it are completely buried under snow, and might be damaged if the bulldozer is taken into the area of the spring without closely following the old road.

No particular difficulty other than deep snow was encountered in starting up the project, and no delays are anticipated at this time. Ample rail, pipe, timber, and lumber are on hand, and the men are in good spirits.

Respectfully submitted,

Anthony T. Payne

Anthony T. Payne
Mining Geologist

Reno, Nevada
March 1, 1966

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

March 1, 1966

Mr. Harold K. Stager
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: Docket OME-6500 (Silver, Gold)
Contract No. 2213
Great Basin Exploration Company
Silver Hill Project
Mineral County, Nevada

Dear Mr. Stager:

Herewith please find submitted the first monthly report, for the month of February 1966, for OME Contract 2213, being undertaken by Great Basin Exploration Company on Silver Hill, in the Aurora Mining District, Mineral County, Nevada. Work on the project began February 23, 1966.

Although only a few costs can be claimed as a result of these first few day's work, we are submitting them with the idea that files for the project may be set up, and the pathway cleared for minimum delay in processing of the March reports, which will by far the largest of the contract.

Future narrative reports will be accompanied by a 100-scale plan progress map, along with 20-scale geologic map and drill logs, once rehabilitation is completed and new work is in progress underground. If you desire additional information, please be assured of our cooperation.

Please note that for those "fixed unit" costs specified in the contract on a per month basis, costs have been calculated on the basis of the last 6 days of February being equal to 6/28ths of a month, or on a pro-rated basis.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

ALP/s

COPY 2

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

I have sent cy to a gslow A 1 to 800

TO : Chief, Office of Minerals Exploration
Washington, D. C.

DATE: February 4, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 7 1966

INITIALS	CODE
	~~120~~ M
	~~120~~

FROM : Field Officer
OME, Region II

SUBJECT: OME-6500 (Silver, Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Enclosed are three copies of the Performance Bond to be attached to the subject contract sent to you on February 1, 1966. I have kept a Xerox copy for my files.

H. K. Stager

H. K. Stager

Enclosures-3

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

February 1, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 3 1966

INITIALS	CODE
Cae	210
	120
	120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Acting Field Officer
OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Enclosed are the Government's, Fiscal Section's, and Audit's copies of the subject contract executed by the operator. The operator expects to have the Performance Bond within a few days at which time it will be forwarded. I will send you a telegram when I receive the bond.

H. K. Stager

Enclosures

xc: Chief, OME, Wash.

6500

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 14, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 17 1966
FILE REC'D CODE
120 M
120

Mr. Alexander Von Hafften
Great Basin Exploration Co.
Room 730 Monadnock Building
681 Market Street
San Francisco 5, California

Dear Mr. Von Hafften:

Enclosed are 5 copies of Standard Form 25, Performance Bond, to be completed by you and attached to the copies of the OME contract now in your possession.

Mr. Payne requested that these forms be sent to you rather than to him.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
Dir RF
ACG RF
File
MP RF

HKS/dk

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 6
INITIAL

January 4, 1966

120 m
120

Mr. Anthony L. Payne
Great Basin Exploration Company
P. O. Box 8063, University Station
Reno, Nevada

Re: OME-6500 (Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Dear Mr. Payne:

Enclosed are the original and four copies of a proposed contract on the Silver Hill Property signed by the Director for the Government.

The contract consists of MME Form 51 (5 pages), Annex I (1 page), one Performance Bond (to be added), Exhibit A (4 pages), Exhibit B (1 page), and 2 maps, Figs. 1 and 3.

If the proposed contract meets with your approval, please sign all copies and return the following copies to this office:

Government's copy
Fiscal Section's copy
Audit's copy
Field Office's copy

The Operator's copy should be retained for your files.

If any part of the proposed contract does not meet with your approval, the original and all copies should be returned to this office, together with your changes for consideration.

Please note that some of the items of work are footnoted as follows: "1/ The completed job is the unit of work." Each of these units should be completed in its entirety before it will be approved on your voucher. For those items which are footnoted with a "2/", salvage has been taken into consideration so the amounts are less than originally estimated in the application and reports.

Please also note that the 6½ percent interest, in Article I(c) of the contract, accrues from the dates on which the individual payments are made by the Government, and like the principal is repayable from royalty on production.

Sincerely yours,

H. K. Stager, Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WEID

Dir RF
ACG RF
File
MP RF

HKS/dk

OFFICIAL FILE COPY

Date	Surname	Code
12/27	Selfridge	120
12/29	[illegible]	~~110~~
12/29	[illegible]	220
	[illegible]	
		110
12/30	cal	220
		120M

DEC 30 1965

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada

Enclosed are the original and four copies of a proposed contract for a project at the subject property. The contract consists of MME Form 51 (five pages), Annex I (one page), one Performance Bond (to be added), Exhibit A (four pages), Exhibit B (one page), and two maps, Figs. 1 and 3. All copies have been signed by the Director for the Government. The date for commencement of the work has been inserted. An extra copy of the contract is also enclosed for field use.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Please note that some of the items of work are footnoted as follows:

"1/ The completed job is the unit of work." Each of these units should be completed in its entirety before being approved on the Operator's vouchers. For those items which are footnoted with a "2/", salvage has been taken into consideration so the amounts are less than originally estimated in the application and reports.

(signed) FRANK E. JOHNSON
Frank E. Johnson

Enclosures

GCSelfridge/gla (12-27-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

23263

DRAFT

DOCKET COPY

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6500	Silver-Gold	14-23-090-	Mineral	Nevada

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Great Basin Exploration Company, a co-partnership of

Alexander von Hafften and Anthony L. Payne,

whose mailing address is P. O. Box 8063, University Station, Reno, Nevada, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before February 1, 1966 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $33,000.00. The Government will contribute 62.5 percent of the total fixed unit costs of the work performed, not in excess of $20,625.00 in accordance with the provisions of Articles 4 and 5.

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

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

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

See Annex I

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

A Performance Bond is attached in lieu of Consent to Lien and Subordination Agreements.

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

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

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

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

GREAT BASIN EXPLORATION COMPANY
(Operator)

By _____
Alexander von Hafften, Partner

By _____
Anthony L. Payne, Partner

THE UNITED STATES OF AMERICA

By U. S.
Director, Geological Survey

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
OME-6500

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of six (6) patented claims in sec. 19, T. 5 N., R. 28 E., MDB&M, Aurora mining district, Mineral County, Nevada. It is shown on Fig. 3 entitled, "Silver Hill Claim Map," attached hereto and made part hereof.

The claims are as follows:

Name	Survey No.
Radical	37
Seminole	4220
Spotted Tiger	38
Black Hawk	4220
Wyandott	4220
Virginia	4221

The Operator is in possession of the Radical and Seminole claims by virtue of a Mining Lease with Option to Purchase dated October 21, 1964, from F. A. Jungquist.

The Operator is in possession of the remainder of the claims by virtue of a Mining Lease with Option to Purchase dated August 27, 1964, from Gabriel Relich and Violet Relich, his wife, and Victor Relich, M. D., and Virginia Relich, his wife.

A Performance Bond in lieu of Consent to Lien and Subordination Agreements is attached and made a part hereof.

Docket

DRAFT GCSelfridge/mm
12/14/65

EXPLORATION CONTRACT
GREAT BASIN EXPLORATION COMPANY
CME-6500

EXHIBIT A

The purpose of this project is to explore by crosscutting, drifting, and long hole drilling from the Black Hawk adit an arsenic anomaly for silver- and gold-bearing ore bodies in the immediate hanging wall area of the Spotted Tiger vein which traverses Tertiary volcanics.

General Provisions

A D-6 Caterpillar bulldozer or equivalent unit of any other make shall be used for road repair and improvement and for camp and portal site preparation. All drifts and crosscuts shall be not less than 5 by 7 feet in the clear of timber and shall be timbered as necessary, using standard drift sets of not less than 8- by 8-inch timber.

Mine rail shall not be less than 16-lb. size, air line not less than 2-inch size, water line not less than 1-inch size, and ventilation line not less than 8-inch size.

All significantly mineralized areas traversed by the crosscutting or drifting shall be sampled normal to their trends at linear intervals of not more than ten feet. In addition, a representative bulk sample may be taken of each round broken. Each sample shall be split as necessary, and one split shall be assayed

for silver and gold. The remainder shall be stored in a suitable container for Government inspection and possible use.

The long holes finished at not less than 2-inch diameter shall be sampled in four foot sections. Approximately 50 percent of the samples will be split as necessary and assayed for silver and gold. All remaining samples or splits of samples shall be stored in suitable containers properly identified as to source and location.

Stored samples from whatever source may be disposed of by the Operator with prior Government approval.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the locations of all samples taken, and the general geological formations and structures traversed by the work performed.

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

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

Description of the Work

The initial work under this project shall consist of road improvement and repair, including the installation of three iron ~~long holes at minus 45 degrees~~ ~~as indicated on said fig.~~

drain culverts not less than 30 inches by 15 feet in size; camp site and portal preparation at the Black Hawk adit; compete rehabilitation of the Black Hawk adit, including cleanup and all pipe, rail, and necessary timber with a door at the portal; preparation and installation of a water supply system, including necessary tanks; and the construction of a powder magazine and a tool shed.

After the initial work is completed, extend the Black Hawk adit approximately 240 feet to the center of the anomalous area and therefrom drift about 150 feet in either direction, preferably on a quartz vein. Total advance shall not exceed 540 feet as indicated on Fig. 1 entitled, "Silver Hill Project, etc." attached hereto and made part hereof.

For the long hole drilling, prepare nine (9) 4- by 7-foot stations 3 feet deep on not less than 75-foot centers, and therefrom drill not more than eighteen (18) 100-foot long holes at plus five (5) degrees and on the northwest side of the drifting five (5) 100-foot long holes at minus 45 degrees, all as indicated on said Fig. 1.

Estimated Costs of the Project

Fixed Unit Costs

Mobilization and demobilization of D-6 bulldozer	$200.00
Initial road repair and improvement and camp site and portal preparation, 63 bulldozer hours @ $16.00/hour	1,008.00
Initial road repair and improvement, labor, materials, and supplies	624.00 1/
Water supply, tanks and pump	200.00 1/2/
Powder magazine	350.00
Wooden tool shed	170.00
Rehabilitatation, Black Hawk adit	1,375.00 1/2/
Drifting and crosscutting, 540 feet @ $35.00/foot	18,900.00 1/2/
Drift and crosscut timbering, 108 feet @ $8.00/foot	864.00
Drill stations, 9 @ $100.00/each	900.00
Long hole drilling at plus 5 degrees, 1,800 feet @ $1.50/foot	2,700.00
Long hole drilling at minus 45 degrees, 500 feet @ $2.25/foot	1,125.00
Rental, two (2) 22-foot self-contained trailers, 6 months @ $90.00/month each	1,080.00
Mobilization and demobilization of 2 (2) trailers @ $120.00/each	240.00
Utilities for trailers, 6 months @ $4.00/month each	48.00
66 drift samples, including preparation, freight, etc., assayed for silver and gold @ $6.00/each sample	396.00

290 long hole samples, including preparation, freight, etc., assayed for silver and gold @ $4.00/each sample	1,160.00	
Mobilization and demobilization of small bulldozer or end loader for road maintenance	100.00	
Rental, fuel, and upkeep of small bulldozer or end loader, 6 months @ $260.00/month	1,560.00	
Total Estimated Fixed Unit Costs		$33,000.00
Government Participation @ 62.5%		$20,625.00

1/ The completed job is the unit of work.

2/ The Government retains no equity in any of the material used.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

December 2, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 6 1965

INITIALS	CODE
	~~120~~
	120

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada

In reply to your letter of November 26, 1965 of the above subject, I 'phoned the applicant and requested additional information to further process his application. The applicant's enclosed letter is his reply and it follows closely to what was first submitted, but in more detail.

Coring was discussed at the time of the examination, but it was decided that drilling would be expensive because of poor core recovery and the results would not be conclusive. The applicant is considering working the project 5 days per week.

Possibly the project could be classified in the same category as Mr. Lovestedt's program except for one item--accessibility to the property. Lovestedt's property is about 400 feet from a main highway while the Silver Hill Area is out in the "boon-docks" about 8 miles from Fletcher, Nevada, and transportation and time are expensive.

Paul V. Fillo

Paul V. Fillo

Enclosure

cc:
Chief, OME, Wash., D. C.

ANTHONY L. PAYNE mining geologist

box 8063 university station reno, nevada FA 3-2081 Ext. 578

November 30, 1965

Mr. Paul V. Fillo
Mining Engineer
U. S. Bureau of Mines
9011 Federal Building
450 Golden Gate Avenue
San Francisco, California 94102

Ref: OME - 6500

Dear Paul:

With reference to your telephone call this afternoon, I am pleased to forward the following additional information that was requested by your Washington Office of the OME:

Supervision.--Full time supervision would be calculated on the basis of $700 per month for a geologist-engineer for the six month duration of the project or $4,200.

Time Schedule.--It is planned to work two shifts simultaneously for the first 11 days of the project. One crew will repair and improve access road, undertake camp site and surface preparation, while the other crew would reactivate the Black Hawk adit.

= 4'/shift

During the next six weeks, while the 240 ft. crosscut is driven, each crew will work on separate shifts, that is on a two shift basis. After completing the crosscut, one crew would be put on drifting for 13-1/2 weeks, and the other crew assigned to long hole drilling, estimated to require 13 weeks. The crew on drifting would work at the same time as the long hole crew or on a one shift basis.

It is my feeling, shared by those contractors with whom I have discussed the project, that some such arrangement as this strikes an optimum balance of effective supervision, safety, and maximum utilization of expensive equipment.

Equipment.--All of the equipment necessary for surface preparation, under ground crosscut and drift openings, drill stations, and long hole drilling, is summarized on the attached sheet. In allocating costs, the project was calculated on a 24 week duration, 14/24 of the compressor and pickup truck costs are charged to surface preparation underground exploration openings, while 10/24 are charged to long hole drilling.

On this basis, equipment costs of surface preparation and underground exploration openings are as follows:

Compressor	$2,047.50
Pickup Truck	840.98
Drill	485.00

Air and water hoses	$ 269.00
Mine cars	80.00
Jim Crow	35.00
Mucking machine	1,050.00
Total	$4,807.48

On the same basis, costs of long hole drilling are summarized as follows:

Compressor	$1,462.50
Pickup truck	600.70
PR123 long hole drill	2,648.00
Drill columns	50.00
Air and water hoses	269.00
Sample device	50.00
Sectional steel	738.13
Total	$5,818.33

It can be seen that these equipment prices closely match those shown in my estimate of costs as far as crosscutting and drifting are concerned, but are very low as far as long hole drilling is concerned. We have found the new PR123 machine, with independent rotation, to be such a popular item that no used drills of this type can be located. We feel that this new machine is necessary for the project, otherwise we would be faced with high "stuck" steel costs. Furthermore, we find that high quality sectional steel such as "1700 series" has increased greatly in price recently.

The equipment costs for drilling the horizontal holes will be much higher than the figure in my proposal, it would calculate out to about $2.25 a foot and similarly for the down-angle holes, the equipment costs would be $3.54 per foot. This would make the flat drilling come to $3.90 a foot and the down hole proportionately more. I have done a good deal of checking into long hole costs and you will recall my having sent you a zerox copy of Molybdenum Corporation's experience at Questa, and everyone seems to be coming up with approximately $4.00 per foot costs for really high quality work. It is my firm belief that long hole drilling, even though cheaper than diamond drilling, is preferable in this particular case and we intend to proceed with the program as outlined, in spite of the costs being higher than had been anticipated.

Housing.--The estimate of costs for the project shows housing allocated to only crosscutting, drifting, and long hole drilling. A total cost of $1,368 is estimated for housing and is broken down as follows: rental of two 22 ft. self-contained trailers at $90 a month for six months is $1,080.00 Contract to haul two trailers from Reno to Aurora and return is $60 for each trailer, each way, is $240. The $48 additional is allowed for heating, lights, water for showers and cooking.

I hope that the breakdown of these costs will provide the additional information required in Washington. If any additional information is needed, please be assured of our continued cooperation.

Yours very truly,

Anthony L. Payne

Anthony L. Payne
Mining Geologist

ALP:gc
Encl.

EQUIPMENT

		Purchase Price New	Value After 6 mos. Use	Net Project Cost
1.	Compressor--Rental of Gardner-Denver SP-600 or equivalent compressor, 6 mos. @ $585/mo.	$ --	$ --	$3,510.00 - $35,100
2.	Pickup Truck.--GMC 4 wheel drive or equivalent pickup truck.	3,600.00	2,400.00	1,200.00 = $12,000
	(Gas, oil, and lubrication, 670 miles/mo., 5¢/mile for six months.	--	--	241.56
3.	Drill.--Feed-leg FL-63 Gardner-Denver.	1,235.00	750.00	485.00
4.	Air and Water Hoses.-- 2 - 50 ft. lengths of 1" hose (air line) 100 ft. @ $2/ft = $200 1 - 10 ft. length of 1" hose (for oiler) 10 ft. @ $2/ft. = $ 20 2 - 50 ft. lengths of 1/2" hose (water line) 100 ft. @ $1/ft. = $100 Couplings, spuds, nipples, etc. = $10 Line oiler = $39	369.00	100.00	269.00
5.	Mine Cars.--(two used) @ $75 each	150.00	70.00	80.00
6.	Jim Crow.--(rail bender)	45.00	10.00	35.00
7.	Mucking Machine.--Rental of mucking machine at $175/mo. for 6 mos.	--	--	1,050.00 = 10,500
8.	Long Hole Drill.--Gardner-Denver PR-123	5,158.00	2,500.00	2,648.00
9.	Columns for PR-123.--(two used @ $50 each	100.00	50.00	50.00
10.	Air and Water Hoses.-- 2 - 50 ft. lengths of 1" hose (air line) 100 ft. @ $2/ft. = $200 1 - 10 ft. length of 1" hose (for oiler) 10 ft. @ $2/ft. = $20 2 - 50 ft. lengths of 1/2" hose (water line) 100 ft. @ $1/ft. = $100 Couplings, spuds, nipples, etc. = $10 Line oiler = $39	369.00	100.00	269.00
11.	Sample Device.--for collection of drill cuttings.	75.00	25.00	50.00
12.	Section Steel.--Gardner-Denver "1700 series" 1-1/2" hexagonal or equivalent $45.00/4 ft. sections. 25 sections and 25 couplings @ $14.05.	1,476.25	738.13	738.13

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Eldridge	130
11/26	Johnson	110
11/26	CAL	220
		120 M

AIRMAIL

NOV 26 1965

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada

We have now reviewed the subject Applicant's revised program and costs and your on-site report of November 10, 1965, and have a few items which we wish to clarify before considering drafting a proposed contract.

As the project is now proposed, it is our impression that the Applicant considers that the part of the anomaly to be tested is a wide zone of disseminated values with possible pockets or lenses of high-grade ore occurring with the quartz veins or stringers encompassed within the zone. It could be possible that a few BX core-size holes from the surface would be as satisfactory and much cheaper to indicate what might be expected than the work proposed. However, the matter is not an issue.

This project is similar to that of Lovestedt (OME-6414), and it would seem that crosscutting and drifting item costs for most things might be comparable. Therefore; our following questions.

On page 10 of your report you mention that the Applicant will crosscut and drift 2 shifts per day, 6 days a week. Page 11 schedules 5 days a week, 2 shifts per day for crosscutting and 5 days a week, 1 shift per day for drifting. What should it be? Only 4.5 of drift advance per day is contemplated, yet there will be two faces available. Why shouldn't both be driven at the same time?

The costs you have proposed are the same as those of the Applicant with the exception of the equipment item which you have lowered from $7.30 and $10.20 to $4.50 a foot for crosscutting and drifting, respectively.

23263

The original application mentioned only part-time supervision, mapping, etc. The revised application does not mention whether full-time or part-time services are contemplated. We should know this and the monthly salary rate. As presently set up at $5.75 a foot, or $51.75 a day, the monthly cost would be in excess of our usual rates.

As you know we never include timbering in crosscutting and drifting footage costs. Thus, the $2.10 a foot for all of the footage will have to appear as an item at so much per foot actually timbered.

The 2" air line cost of $1.00/ft. and the 1" water line cost of $0.50/ft. are higher than anything we have ever allowed. In addition, salvage was not taken into consideration. Ordinarily 2" pipe ranges from $0.45 to $0.70/ft. and 1" from $0.19 to $0.30. Coeur d'Alene prices this last summer were $56.40/100' for 2" victaulic pipe, $1.38 a coupling, and $15.00 for a valve. Ordinarily black pipe is a little cheaper. With Lovestedt $0.70 and $0.30 were used without salvage.

The Applicant does not list the equipment to be used nor its specifications or fair market values by individual item. We should have this information to support the docket. For drifting at $4.50 a foot, 9 feet a day, 22 days a month, and 60 months, the fair market value of all the equipment would be in excess of $53,000. Not quite $13,000 for used equipment was estimated with Lovestedt.

The housing item of $1.80/foot tells us nothing more than the monthly cost will be about $356 when considering drifting. If trailers are to be rented, we should know the specifications, the monthly rental - if rented - or the fair market value for amortization purposes, cost of transportation, and cost of fuel.

Should consideration be given to the possible eventuality that the best vein may not be in roughly the center of the anomaly?

As soon as we receive the requested information, we shall promptly continue the processing of the application.

(Signed) FRANK E. JOHNSON

Frank E. Johnson

OME File
OME Reading File
Mr. Selfridge (2)

Director's Reading File
Division File
Economic Geology File

ge/mm (11/26/65)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

November 12, 1965

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	~~130~~
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Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada

Enclosed are the original and one copy of the Report of Examination on the above subject property which was examined by the Field Officer on October 16, 1965.

The report recommends approval of the application for the purpose of exploring the hanging wall area of the Spotted Tiger flat dip vein and the footwall area of the Black Hawk vein. The exploration proposal is based on the applicant's geochemical work on Silver Hill where a favorable arsenic anomaly of significant magnitude was disclosed and the exploratory program warrants Government assistance. The program would cost a total of $33,810.32 and the Government's assistance at 62.5 percent would cost $21,131.45.

The applicant's revised cost estimate appears to be satisfactory with the possible exception of the amortization cost of the equipment to be used; the cost per foot is a little high.

Paul V. Fillo
Paul V. Fillo

? Just check per info. backing

Enclosure

cc:
Chief, OME, Wash., D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6500 (Silver, Gold)
Great Basin Exploration Company
Silver Hill Area
Mineral County, Nevada

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by

Paul V. Fillo
Field Officer
OME, Region II

November 10, 1965

FIELD EXAM
REPORT

C O N T E N T S

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I L L U S T R A T I O N S

Figure 1 ---------- Location map

Figure 2 ---------- Composite map of exploratory program and claims map

Figure 3 ---------- Claim map

INTRODUCTION

An application for OME assistance was submitted September 13, 1965 by Great Basin Exploration Co., P. O. Box 8063, University Station, Reno, Nevada. Their request for a loan involves crosscutting, drifting, and four slusher crosscuts in the target area where a favorable recording of a geochemical anomaly was obtained on Silver Hill by the applicant. The area is located in the south central part of the Aurora Mining District, in the southwestern corner of Mineral County, Nevada.

The application was assigned Docket No. OME-6500 and was referred, to this office for consideration and a field examination if necessary. The application includes an estimated total cost of $36,500.00 to perform the exploratory work, consisting of bulldozer road work, rehabilitation, and 150 feet of crosscutting, 300 feet of drifting, and four 100-foot slusher drifts.

A field examination was made by Paul V. Fillo, Field Officer, OME, Region II on October 16, 1965 accompanied by Anthony L. Payne, a partner of the applicant.

Upon examining the property, it was decided that a revised exploration program was in order and an amended application was submitted which consists of road improvements, repairs and maintenance, a camp site and preparation of the Black Hawk adit portal, rehabilitation of the Black Hawk adit, 240 feet of crosscutting, 300 feet of drifting, 9 long-hole drill stations, and 2,300 feet of long-holes. The amended application included an estimated total cost of $36,177.72 to perform the exploratory work.

SUMMARY

The veins of the Aurora district are found in the andesitic flows of the Aurora volcanics, and they vary from a few inches to several tens of feet in width. The widths of 2 to 4 feet are predominate and the structure is relatively regular and continuous.

A reconnaissance of the Aurora district and Silver Hill indicates that a substantial production of medium- to high-grade silver and gold ores were produced. The important ore shoots of the district strike N. 40°- 50° E., and dips are from 20° to vertical. The predominate dip is 40°- 60° to the southeast. The vein consists of fine-grained white quartz, milky in color with banding crustification, comb structure, and open space filling. The applicant's exploration proposal is based entirely on the results of their geochemical work on Silver Hill where a large arsenic anomaly was found. The applicant proposes to explore the hanging wall area of the Spotted Tiger flat dip vein where splits (veinlets) occur carrying high grade values and are the common loci for a major ore deposit which is the character of this district.

The work consists of extending the Black Hawk crosscut adit 240 feet to the center of the anomaly target area, drifting 300 feet along the center of the anomaly (150 feet to the northeast, 150 feet to the southwest), preparing nine long-hole drill stations to drill 23 100-foot long-holes. Channel samples from the drift work and sludge samples from long-holes are included in the program.

RECOMMENDATIONS

From the results of the applicant's geochemical work at the surface, a program of exploring the hanging wall of the Spotted Tiger vein, where splits (veinlets) occur, and the footwall of the Black Hawk vein appears to justify a contract. I recommend that the Government enter into an OME Contract with Great Basin Exploration Co. to provide 62.5 percent of the cost of a program which consists of:

- An estimated 124 hours of bulldozer work (road repair, maintenance, and camp site);
- Rehabilitation of the Black Hawk Tunnel;
- 240 feet of crosscutting;
- 300 feet of drifting;
- 23 100-foot drilled long holes.

The total cost is estimated to be about $33,810.32 of which the Government's share at 62.5 percent will be $21,131.45. Twelve months will be required to complete the contract. To facilitate the administration of the contract, the work should be based on cost per foot.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

Silver Hill is located in the Aurora Mining District, situated in the southwest corner of Mineral County about 3 miles from the California State line. The property lies on the northern slopes of Brawley Peaks at an elevation of about 8,000 feet and is located on N. W. $\frac{1}{4}$, sec. 19, T. 5 N.,

R. 28 E., MDB&M. The property may be reached from Hawthorne, Nevada by traveling west 22 miles on a graded dirt road over Lucky Boy Pass to Fletcher, then taking the left hand fork road and traveling south 6 miles to the abandoned town of Aurora, then continuing through Aurora on an unimproved dirt road in a southerly direction for 1.3 miles to the Silver Hill property.

Experienced mine labor and supplies are available in Hawthorne, Nev., 28 miles northeast from Aurora. The prevailing daily wages for miners are about $22. It would be necessary to construct living quarters or rent trailers for employees and provide the usual facilities at the mine.

Water for domestic and mining purposes could be obtained from springs a mile from the mine near the head of Cottonwood Canyon. No timber available on the property is suitable for mine supports. The nearest source of electricity is the Mineral County Power Company line at Del Monte, a mile and a half down Aurora Creek in Bodie Creek Canyon. There are no buildings or equipment on the property. Sage brush and scrub timber (Pion pine, Piñon ? Juniper, and Aspen) are conspicuous over much of the mountainous terrain on the property. Winter operation at Silver Hill is sometimes impeded and access may be difficult because of snow, but year-round operation is considered feasible.

PROPERTY

History and Production

The Aurora Mining District was discovered on August 22, 1860 by three

prospectors. The discovery was made on Silver Hill where the Esmeralda and the Winnemucca (later known as the Spotted Tiger) veins outcrop. The Winnemucca ledge is mentioned in several early reports and it probably is the vein which was subsequently known as the Spotted Tiger. During the location work, rich specimens of gold and silver were collected from the outcrops of the prominent ledges. The peak of ore production in the district was from 1861-1864, where it has been reported that at least $20 million was produced. The mining activity began to decline in late 1864 due to the easily developed surface ores which were exhausted. From 1865 to 1900, several mining companies attempted deep development work in the four prominent mining areas. All the projects failed because of an excessive amount of water; the pumps were unable to handle it.

In 1901 - 1902, the cyanide process came into use and from 1902 - 1912 tailings from many old dumps from early milling operations were re-treated with modest success.

In 1912, the Aurora Consolidated Mines Company began developing the Humboldt Hill properties at depth. A 500-ton mill was constructed and the company mined a million tons of low grade ore averaging $5.00 per ton. In 1914, Goldfield Consolidated Mines Co., acquired the Aurora Consolidated Co. and mined until 1917. After almost $2 million in gross values was obtained, Goldfield sustained a net loss on the operation, and there was no hope of continuing during war-time inflation (1917).

The applicant obtained the property in August 1964 and work to date has consisted of geologic mapping of surface, rehabilitating the Black

Hawk adit, and an intense program of geochemical survey of the Silver Hill surface. Total production of the district is estimated at 669,962 tons of ore valued at $31,409.013.00 for the period 1860 - 1940.

Ownership

Great Basin Exploration Co. holds several patented claims on a lease-with-option-to-purchase agreement and they own five unpatented claims. In their proposed exploratory work, the following claims, with recorded information in the Mineral County office, Hawthorne, Nevada, would be subject to Government royalty and liens:

Patented Mining Claims	Survey No.
Spotted Tiger	38
Black Hawk	4220
Wyandott	4220
Virginia	4221
Radical	37
Seminole	4220

With the exception of the Radical and Seminole, the above claims are owned by Victor Relich, M. D., and Virginia Relich, his wife, of 11272 San Pablo Avenue, El Cerrito, Contra Costa County, California. Patented Claims Radical and Seminole are owned by F. A. Junpquist, 527 South Lucerno, Los Angeles, California.

Financial Eligibility

The applicant has submitted evidence accompanying the original application that they were unsuccessful in securing a loan for exploration purposes from two banking institutions. The applicant proposes to finance their share of the cost from funds in the company's general account, First

National Bank of Nevada, Reno, Nevada.

Mine Development

The principal workings consist of the main haulage level (Black Hawk adit). The adit extends to the Black Hawk vein where the tunnel is blocked with waste and fill from an old stope in the hanging wall. On the property there are several small open cuts exposing the quartz veins of the Black Hawk, Spotted Tiger, and at least two or three unnamed quartz veins. No mining machinery, electric power, or buildings are available.

GEOLOGY 1/

Geologic Setting

The patented claims lie on the north slopes of Brawley Peaks in an area of moderate relief which is known as Silver Hill. The country rocks exposed on Silver Hill are andesitic flows of the Aurora volcanics consisting of biotite quartz latite and associated andesite porphyries. The color ranges from greenish-gray to gray altered porphyry, which is possibly due to the hot calcareous solutions that deposited the veins.

The andesine phenocrysts are altered to calcite, sericite and some quartz. In general, these rocks strike northeast-southwest and dip moderately southeast. There are two prominent fault systems on the property; one of the fault systems strikes north and south, and dips vertically. The

1/ Hill, J. M. "Some Mining Districts in Northeastern California and Northwestern Nevada," U. S. Geological Survey Bulletin No. 594, 1915, p. 199.

Esmeralda, Johnson, and Prospectus structures would be categorized under this system. These structures have never been very productive; most of the good ore occurs within 300 feet of these faults. The second system of faulting has the most productive ore shoots, striking N. 40° - 50° E., dips from 20° to verical to the southeast.

Ore Deposits

The veins of the Silver Hill property vary from a few inches in width to a broad structure almost 60 feet thick. The structures are relatively regular and continuous. The veins consist of fine-grained white quartz with small cavities. These veins (northeasterly system) branch and split readily and will widen at the junction with the northerly vein system. The rich ore, according to Hill[1/], is characterized by irregular dark wavy streaks that consist of quartz, adularia, argentiferous tetrahedrite, and small amounts of pyrite or chalcopyrite together with a soft bluish gray mineral supposed to be a combination of gold and possibly silver with selenium.

Sampling

The applicant has made an intense soil sampling program of the Aurora Mining District. From their results they found Silver Hill to be the most favorable area, revealing a significant arsenic anomaly which is to be investigated. The soil samples on Silver Hill were taken on 100-foot centers where large homogenous anomalies were found. The samples were taken

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1/ Ibid.

in a conventional manner on the surface where they are well marked.

No soil samples were taken by the examining engineer; however; one character sample was taken of the Spotted Tiger at the surface which assayed 0.01 oz. gold, and 1.5 oz. silver.

Ore Reserves

No measured reserves of silver ore are present on the mining claims the applicant has proposed for exploration.

EXPLORATION

In the applicant's revised application they propose to explore in the vicinity of known veins, especially in the hanging wall and footwall areas. The project consists of 240 feet of crosscutting to the center of the anomalous area, 300 feet of drifting in the center of the anomaly area and 2,300 feet of long holing. The proposed division of this program is as follows:

Road improvement & repair	$ 1,208.45
Road maintenance	1,669.86
Camp site and preparation of portal and dumpsite	1,562.15
Rehabilitation of adit	1,628.90
240 feet of crosscutting	9,715.20
300 feet of drifting	13,014.00
66 samples @ $6.00 ?	396.00
Excavate 9 long hole stations	954.36
18 100-foot horizontal long holes	3,438.00
5 100-foot 45° long holes	1,425.00
290 samples @ $4.02	1,165.80
	$36,177.72

The applicant's revised estimated costs for crosscutting, drifting,

and long holing were discussed and reviewed at the time of the examination, and some changes were made. The costs appear to be in order with our present cost structure. The applicant's cost estimates are on a straight footage basis and they propose to do the work of crosscutting and drifting on a basis of two shifts per day 6 days a week. The applicant states that the work could be started immediately upon the signing of the contract and be completed within 12 months of that date.

Cost Estimate

The examiner has checked the applicant's revised cost estimate and found them to be satisfactory in warranting a Government contract.

Road Repair		
Rental of D-6 or equivalent bulldozer		
Mobilization & demobilization	$ 200.00	
Rental, 24 hrs. @ $16	384.00	
		$ 584.00
Drilling & blasting bedrock, 24 hrs.	304.35	
Installing 3 drain culverts	72.60	
3 drain culverts	247.50	
		624.45
Road Maintenance		
Rental, small bulldozer, 6 mos. @ $150/mth.	900.00	
Labor, fuel, repairs	769.86	
		1,669.86
Camp Site, Portal and Dumping Preparation		
Rental of D-6 or equivalent bulldozer, 40 hrs. @ $16	640.00	
Water system & storage	402.15	
Construction of powder magazine and tool shed	520.00	
		1,562.15
Rehabilitate Black Hawk Adit		
Labor (2 miners) 136 hrs., include compensation, etc.	788.80	
Materials, supplies, tools	840.10	
		1,628.90

Drive 240 feet of 5' x 7' crosscut to northwest to center of anomalous area; 5 day week, 2 shifts per day, $4\frac{1}{2}$ feet/shift = 6 weeks. Wages: Miner $2.75/hr., helper $2.25/hr. = $ 8.90/ft.

Insurance, social security, unemployment, etc.(16%)	1.42/ft.
Powder, fuses, detonators	3.80.ft.
Timber (allowance for timbering of 20% of crosscut)	2.10/ft.
Compressor supplies	2.25/ft.
Steel and bits	1.75/ft.
Spikes, fish plates, nuts and bolts	0.20/ft.
Ties, 4" x 4" x 30" on 2 ft. spacings	0.25/ft.
Rail (16 lb.)	0.96/ft.
2" air line, with unions and couplings, etc.	1.00/ft.
1" water line, with unions and couplings, etc.	0.50/ft.
Equipment, (compressor, 4-wheel drive truck, jackleg drill, air and water hoses, line oiler, 2 mine cars, mucking machine, jim crow rail bender)	4.50/ft.
Water haulage	1.25/ft.
Housing	1.80/ft.
Engineering, accounting, reports	2.25/ft.
Supervision	3.50/ft.
Repairs of all equipment	1.25/ft.
	$37.68/ft.

240 ft. @ $37.68/ft. = $ 9,183.20

Drive 300 ft. of 5' x 7' drift on mineralization in center of anomaly: 150 ft. to northeast, 150 ft. to southeast. Five day week, 1 shift per day, $4\frac{1}{2}$ ft/shift = $13\frac{1}{2}$ weeks. Wages: Miner $2.75/hr., helper $2.25/hr., average $4\frac{1}{2}$ ft/shift $ 8.90/ft.

Insurance, social security, unemployment, etc.(16%)	1.42/ft.
Powder, fuses, detonators	3.80/ft.
Timber (allowance for timbering of 20% of drift)	2.10/ft.
Compressor supplies	2.25/ft.
Steel and bits	1.75/ft.
Spikes, fish plates, nuts and bolts	0.20/ft.
Ties, 4" x 4" x 30" on 2 ft. spacings	0.25/ft.
Rail (16 lb.)	0.96/ft.
2" air line, with unions and couplings, etc.	1.00/ft.
1" water line, with unions and couplings, etc.	0.50/ft.
Equipment (compressor, 4-wheel drive truck, jackleg drill, air and water hoses, line oiler, 2 mine cars, mucking machine, jim crow rail bender)	4.50/ft.
Water haulage	1.25/ft.
Housing	1.80/ft.
Engineering, accounting, reports	2.25/ft.
Supervision	3.50/ft.
Repairs of all equipment	1.25/ft.
	$37.68/ft.

300 ft. @ $37.68/ft. = $11,304.00

Channel sampling and assaying of 300 ft. of drift in mineralized center of anomaly, sampling across face after each blast (every $4\frac{1}{2}$ ft.), total of 66 samples.

Labor:	
(included in supervision costs of drift)	$ --
Supplies:	
(canvas sample bags, assay tags, and stubs, string, gads, moils, single jacks, safety glasses, sample cloths, shipping cartons, etc.).	0.40/sample High
Freight: ?	
(send raw samples to Hawley and Hawley in Tucson, Arizona via Las Vegas, Tonopah, and Reno stage-Greyhound Express).	1.10/sample
Assay expense:	
(crush, split, pulverize sample).	0.75/ sample
dry samples (allowance for drying 1/3 of samples)	0.25/ sample
analyze for silver and gold, "special" class	3.50/sample ✓
	$6.00/sample

Cost of sampling and assaying 300 ft. of drift on mineralized zone in center of anomaly, 66 samples at $6.00 = $ 396.00

Cut nine 4' x 7' stations 3 feet deep for long hole exploration drilling.

3' x 4' x 7' = 84 cu. ft./drill station

9 x 84 = 756 cu. ft.

$\frac{756}{35}$ = equivalent of 22 ft. of drift

22 x $37.68/ft. = $ 828.96

Drill 18 100-foot exploratory long holes, starting 2 3/4", finishing 2" diameter. Holes drilled +5° from horizontal, samples collected for each 4 feet sectional steel. 1800 ft. of drilling at 40ft./day = 45 days = 9 weeks.

? Low

Wages: driller $3.00/hr. averaging 40 ft./day	$0.60/ft.
Insurance, social security, unemployment, etc.	0.10/ft.
Compressor supplies	0.08/ft.
Steel and bits	0.10/ft.
Equipment (large column-mounted drill, air and water hoses, small air tugger, sectional steel, hand tools, sampling apparatus)	0.26/ft.
Engineering and supervision	0.42/ft. ?
Repairs	0.05/ft.
Water haulage	0.13/ft.
Housing	0.17/ft. out of pocket
	$1.91/ft.

1800 ft. of +5° long hole drilling @ $1.91/ft. = $ 3,438.00

Drill 5 100-ft. exploratory long holes, starting 2 3/4", finishing 2" in diameter. Holes drilled -45° from horizontal, samples collected for each 4 ft. sectional steel. 500 ft. of drilling at 25 ft./day = 20 days = 4 weeks.

? Low

Wages: driller $3.00/hr. averaging 25 ft./day	$0.96/ft.
Insurance, social security, unemployment, etc.	0.15/ft.
Compressor supplies	0.14/ft.
Steel and bits	0.10/ft.
Equipment (large column-mounted drill, air and water hoses, small air tugger, sectional steel, hand tools, sampling apparatus)	0.41/ft.
Engineering and supervision	0.76/ft. H
Repairs	0.06/ft.
Water haulage	0.17/ft.
Housing	0.10/ft. H
	$2.85/ft.

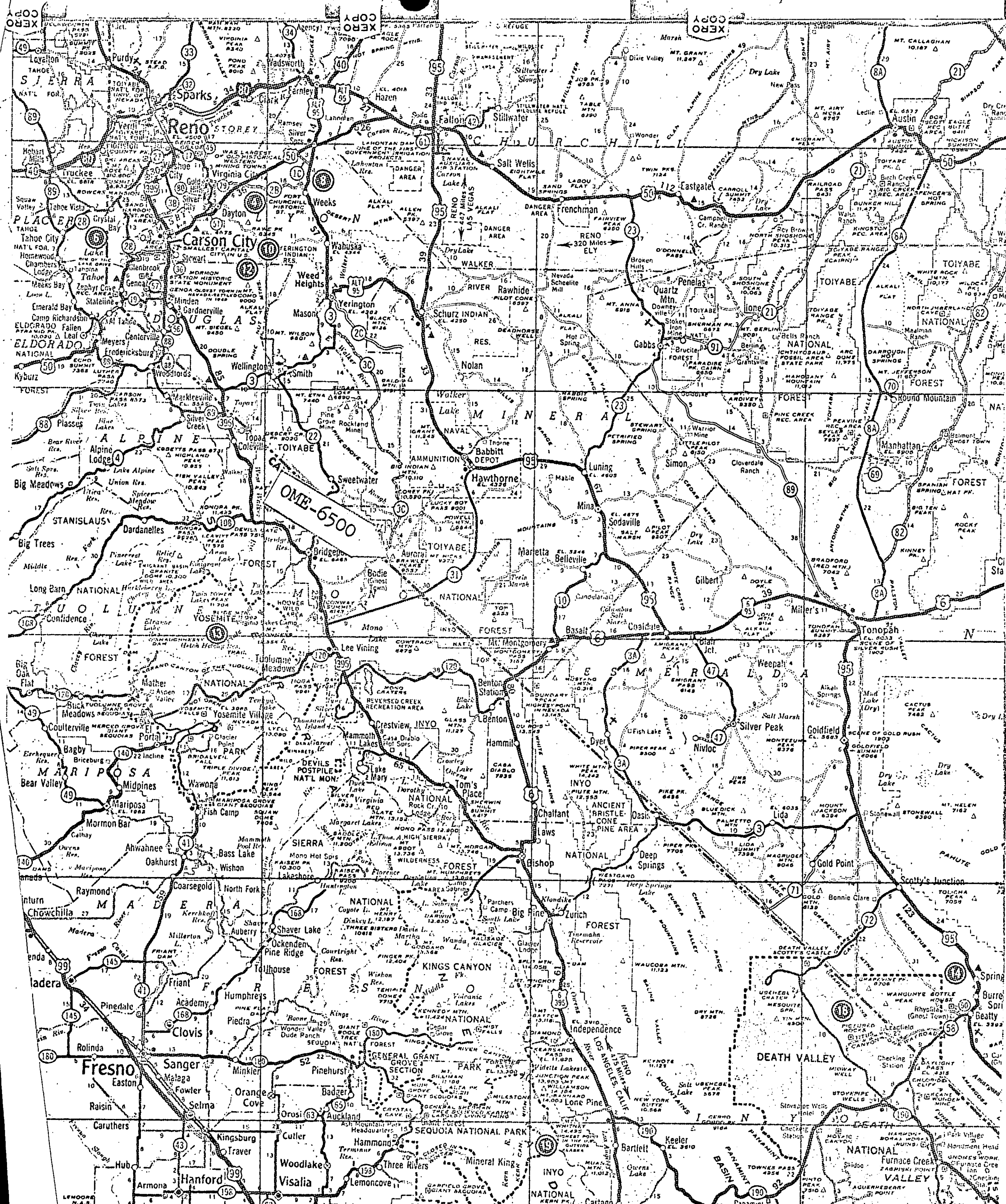
500 ft. of -45° long hole drilling @ $2.85/ft. = $ 1,425.00

Sampling 2300 feet of exploration long hole drilling, samples collected every 4 feet sectional steel, total 575 samples. 50% of samples to be assayed for silver and gold.

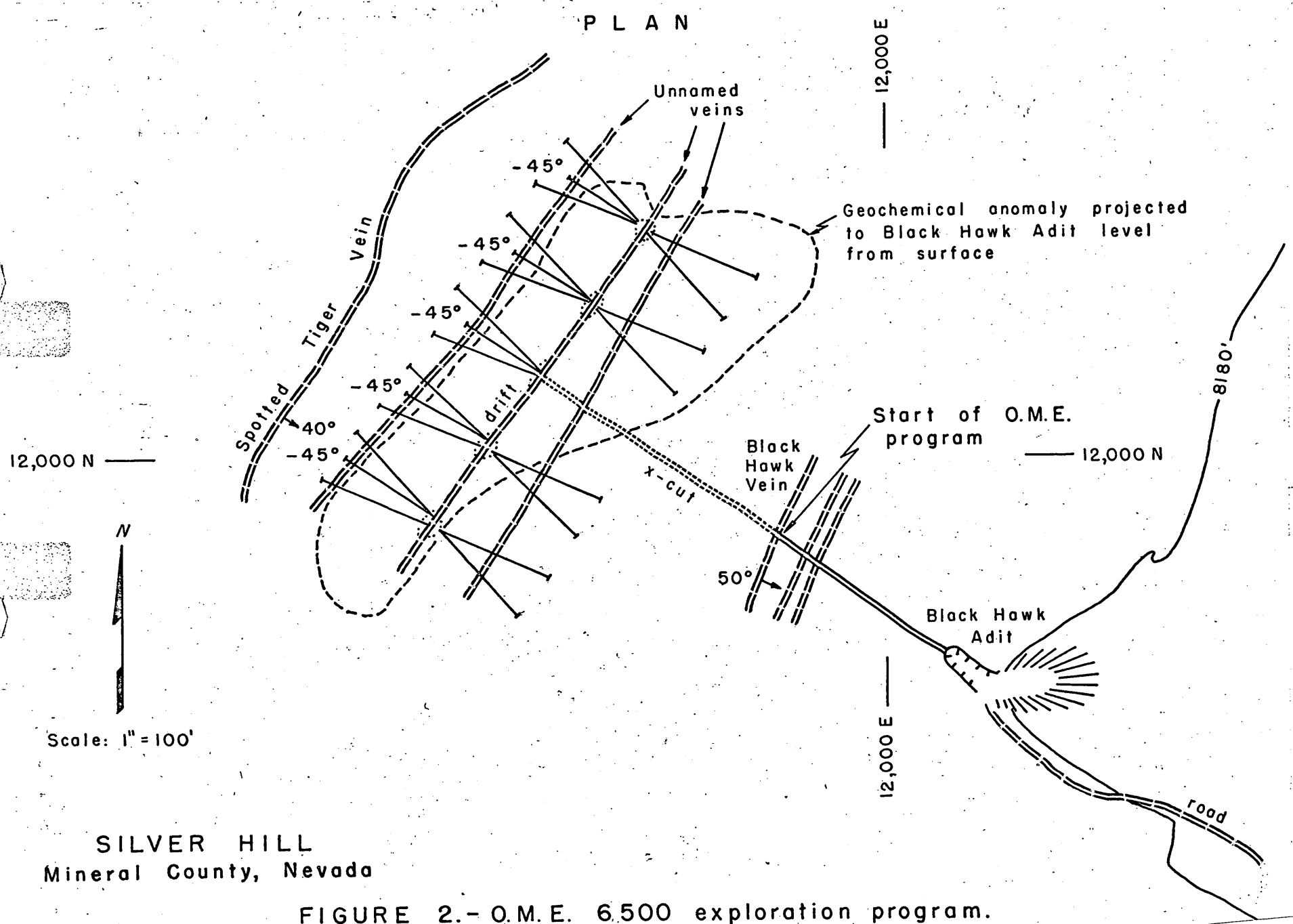
Supplies:	
canvas bags, assay tags and stubs, string, shipping cartons, sample envelopes.	$0.40/sample
Equipment:	
sample splitter, etc.	0.03/sample
Labor:	
included in supervision costs of drilling	--
Freight:	
parcel post split samples to Hawley and Hawley in Tucson, Arizona	0.09/sample
Assay costs:	
assay for silver and gold, "special" class	3.50/sample
	$4.02/sample

290 samples at $4.02/sample = $1,165.80

Or, 2300 feet of drill hole at $0.51/ft.	=	$ 1,165.80
Total estimated cost of the work	=	$33,810.32
Government participation at 62.5%	=	$21,131.45



LOCATION MAP - FIGURE 1



SILVER HILL
Mineral County, Nevada

FIGURE 2.- O.M.E. 6,500 exploration program.

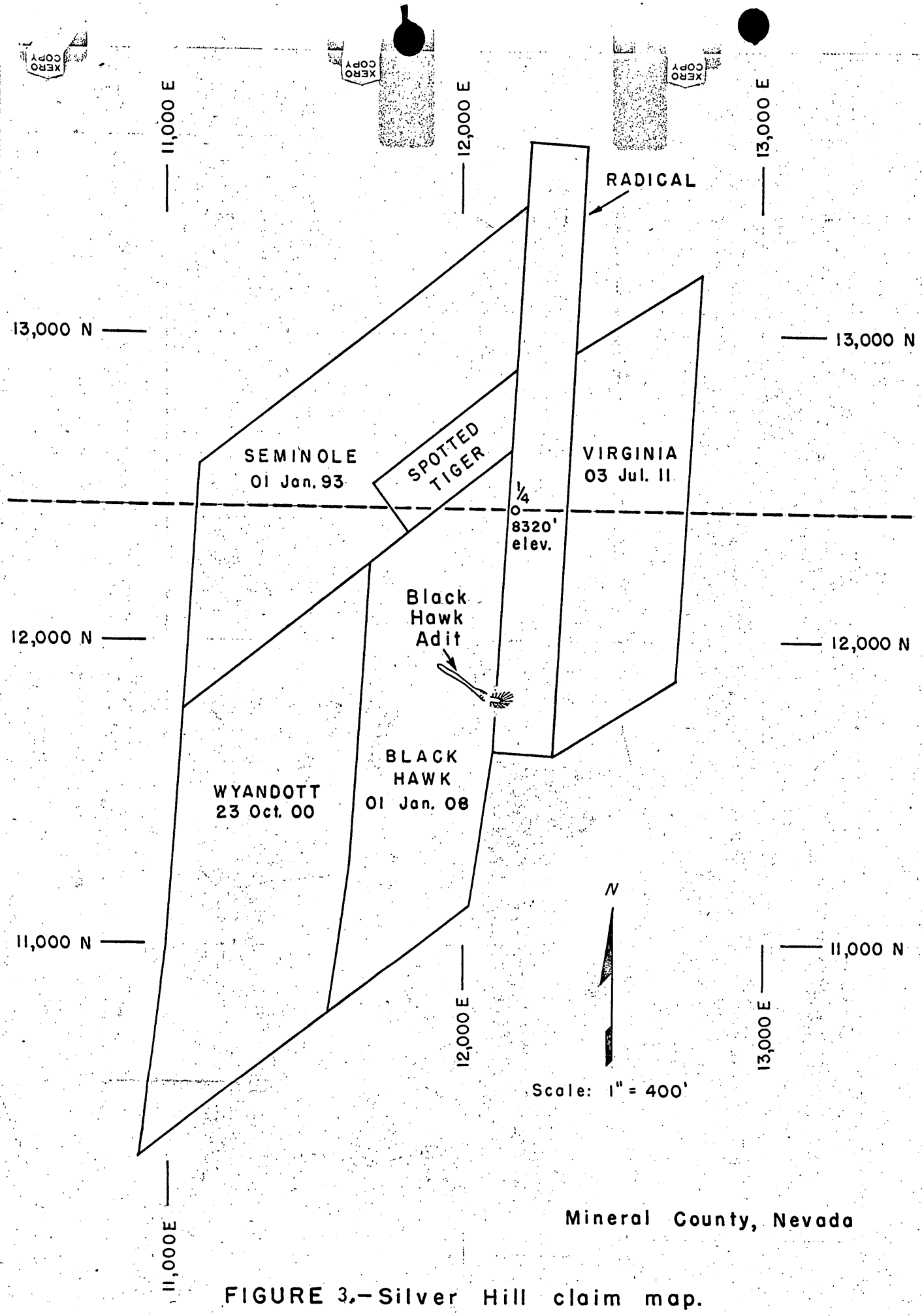


FIGURE 3.—Silver Hill claim map.

MME Form 7
(2/63)

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Date	Surname	Code
11/2	Murphy	120
11/8	Selfridge	130
"	Johnson	110
11/8	CAC	220
		120

NOV 8 1965

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada

This is in reference to your field examination of the subject property and also to your memorandum of October 25, 1965, transmitting the Applicant's revised exploration program. We will withhold action on the application pending receipt of your recommendations.

(signed) FRANK E. JOHNSON (gla)

Frank E. Johnson

FMMurphy/mm (11/2/65)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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October 21, 1965

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Area
Mineral County, Nevada

The subject property was examined October 16, 1965 by the Field Officer accompanied by Mr. Antony Payne, a partner of the company submitting the subject application.

The surface area of the Silver Hill, where the geochemical method was conducted, was inspected and evidence of this detailed sampling was seen on a 100-foot square grid spacing. The Black Hawk adit, upon inspection, appeared to be in good condition and accessible back to where the Black Hawk vein was intersected. There will be some rehabilitation work on the Black Hawk crosscut adit, i.e., three or four sets at the portal and possibly the same number at the end of the adit.

In reviewing the program with Mr. Payne, it was decided that a revised program for the target area is in order. Essentially, the work would consist of extending the Black Hawk crosscut adit 250 feet into the center of the anomaly area and drifting 150 feet in both directions (NE. and SW.) from the crosscut and from this drift of approximately 300 feet, drill several long, horizontal, percussion drill holes; the sludge samples from the drilling will be assayed to determine the value of the target area.

There will also be 3 to 5 holes drilled at a -45° angle from the drift to test the Spotted Tiger vein at lower elevation. Mr. Payne said that he would immediately submit a revised application and with any kind of luck, if he were favored with a contract, he will attempt to complete the crosscut and drifting this winter.

With regard to the additional claims to be added to his application, he will secure a performance bond for his share of the exploration contract. Upon receiving Mr. Payne's revised application, a copy will be forwarded to you for consideration.

I believe this project will warrant Government assistance and a favorable report is being considered.

Paul V. Fillo

Paul V. Fillo

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

October 5, 1965

Memorandum

To : Chief, Office of Minerals Exploration, Washington, D. C.

From : Field Officer, OME, Region II

Subject: Proposed field trip

I am planning to conduct the following field work, October 10 - 11 and October 14 - 18, 1965. On October 12 and 13, 1965, I will be on annual leave attending the American Mining Congress in Las Vegas, Nevada.

Oct. 10 - 11. Final field examination, Rainbow Mine, OME-6298

Oct. 14 - 18. Field examination, Pacific Mining Corp., OME-6490
Field Examination, Great Basin Exploration Co., OME-6500

Paul V. Fillo

cc:
Chief, OME, Wash., D. C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Lodge	120
		~~120~~
9/24	Johnson	110
9/24	[illegible]	220
9/23	Murphy	120 TM
		120

Great Basin Exploration Co.
P. O. Box 8063
University Station
Reno, Nevada

SEP 24 1965

Re: OME-6500 (Silver-Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada

Gentlemen:

The subject application has been reviewed by the Washington office.

In reference to the proposed project area, we note under Items 2. (b) and (c) that it is limited to three claims, the Black Hawk, Wyandott, and Spotted Tiger, and that the northern part of the geochemical anomaly on which the work is based may extend into the Radical and possibly the Bald Eagle and Virginia claims. In the event an exploration contract is granted, would the partnership be willing to include these claims under its terms; and, if so, would the owners execute the required Lien and Subordination Agreements?

In regard to the estimated unit costs submitted for the proposed main crosscut and drift and the slusher crosscuts, will you kindly submit a breakdown of each of these estimated unit costs. Also, please advise the estimated number of samples to be assayed and the assay cost per sample.

Submittal of the above-requested information should not be construed as committing the Government to an exploration contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FMMurphy/mm (9/23/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Region II

23263

September 15, 1965

Great Basin Exploration Co.
P. O. Box 8063,
University Station
Reno, Nevada

Subject: OME - 6500

Gentlemen:

Your application for exploration assistance, dated September 1, 1965, submitted to our office at San Francisco, California, has been assigned Docket Number OME - 6500.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region II

10/7/65

Mr. Selfridge:

Memo went to Fillo 10/6/65 asking to be advised of status, OME-6298

Please note that Great Basin Expl. OME-6500 (docket attached) has not been referred to the field (Murphy's letter to Appl. requesting addl. information).

gla

Fillo called (2 PM) and we discussed. O.K. 8500 ff.

What's next? [illegible] Nov. 1, 1965

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 29 1966
INITIALS | CODE

June 28, 1966

Mr. Alexander von Hafften
730 Monadnock Building
681 Market Street
San Francisco, California

Re: OME-6500 (Silver, Gold)
Great Basin Exploration Co.
Silver Hill Property
Mineral County, Nevada
Contract No. 2213

Dear Mr. von Hafften:

Enclosed are the original and three copies of proposed Amendment No. 2, signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed Amendment meets with your approval, please sign and return the following copies to this office:

Government's Copy

Budget and Finance's Copy

Field Office's Copy

The Operator's Copy should be retained for your files.

If any part of the proposed Amendment does not meet with your approval, the original and all copies should be returned to this office with your proposed changes for consideration.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
D RF
MP RF
AGG RF
Docket 6500
HKStager:mlb

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/21	R M Smith	120
6/22/66	Kirkemo	120K
"	Johnson	110
6/23	Kilbourne	
6/23	Smith	
		120M
		110
		220

120M

JUN 23 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6500 (Silver-Gold)
Great Basin Exploration Company
Silver Hill Property
Mineral County, Nevada
Contract 2213

In reference to your memoranda of May 4 and June 2, 1966, enclosed are the original and three copies of a proposed Amendment No. 2 (2 pages) to the subject contract signed for the Government. An extra unsigned copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

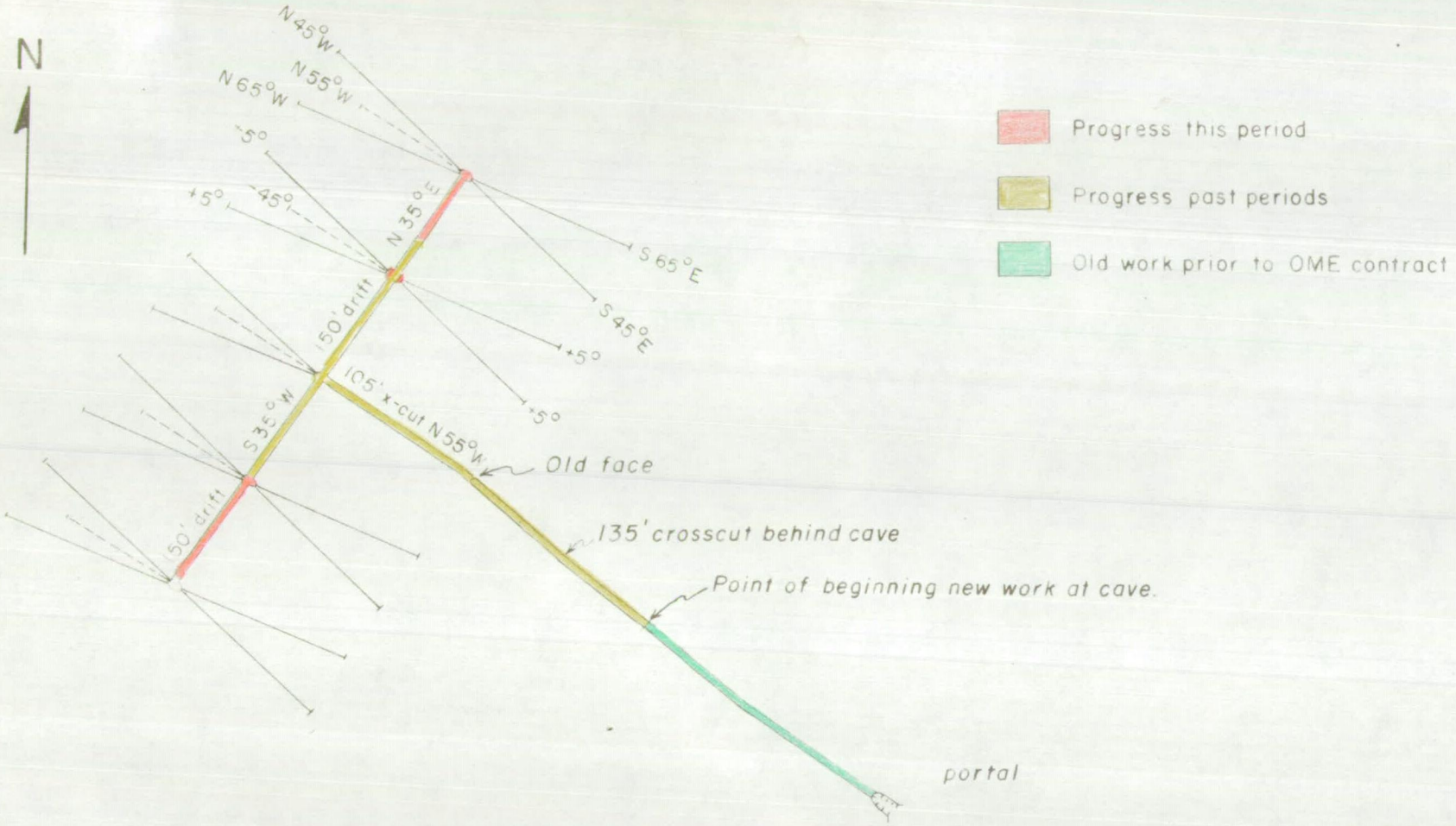
Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130
Smith

RMSmith/mm (6/21/66)

23263



Mineral County Nevada

Note: all drill holes 100 ft. deep.

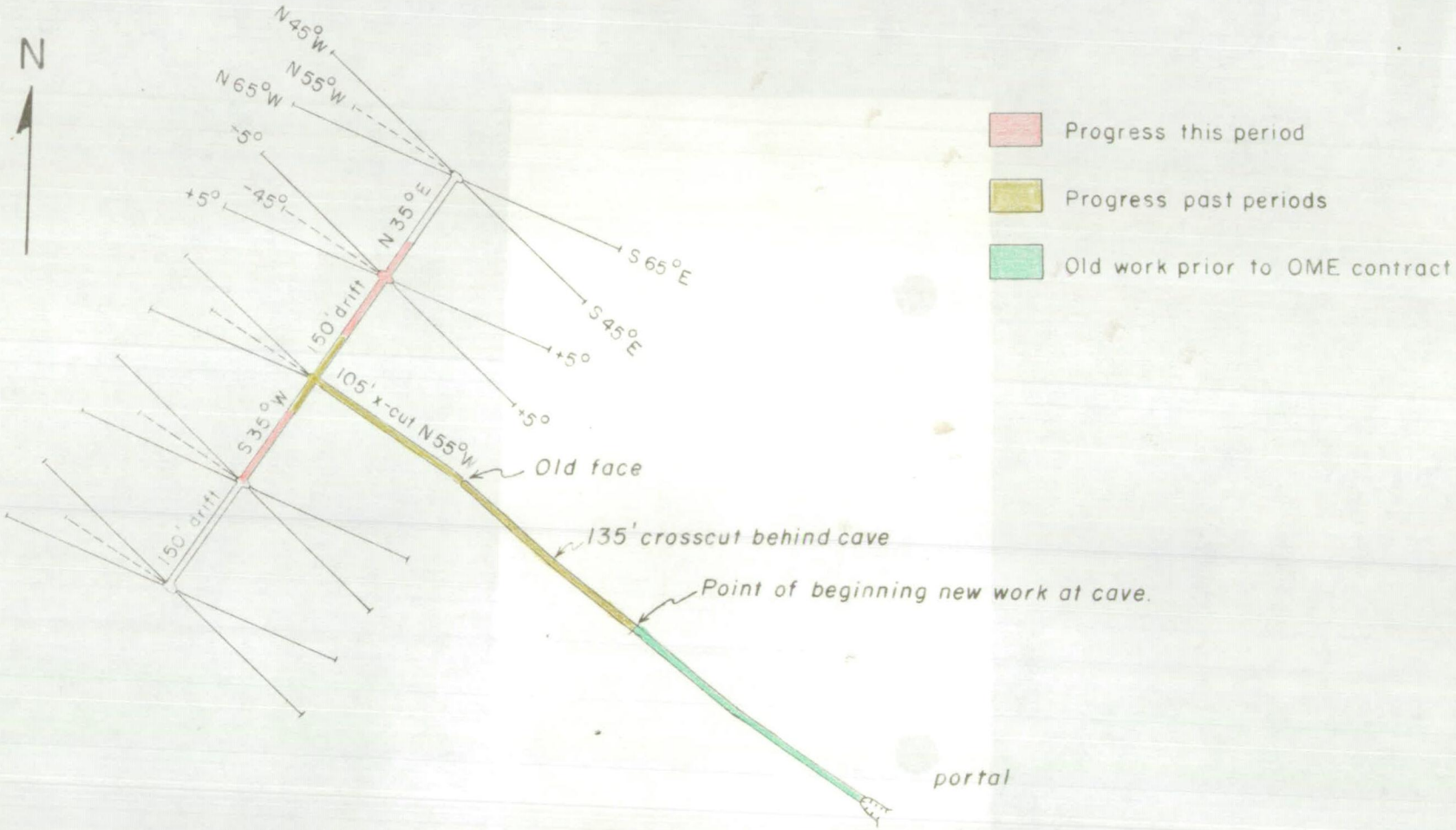
GREAT BASIN EXPLORATION CO.

SILVER HILL PROJECT

Progress map

Scale: 1" = 100'

Anthony L. Payne February, 1966



Mineral County Nevada

Note: all drill holes 100 ft. deep.

GREAT BASIN EXPLORATION CO.

SILVER HILL PROJECT

Progress map

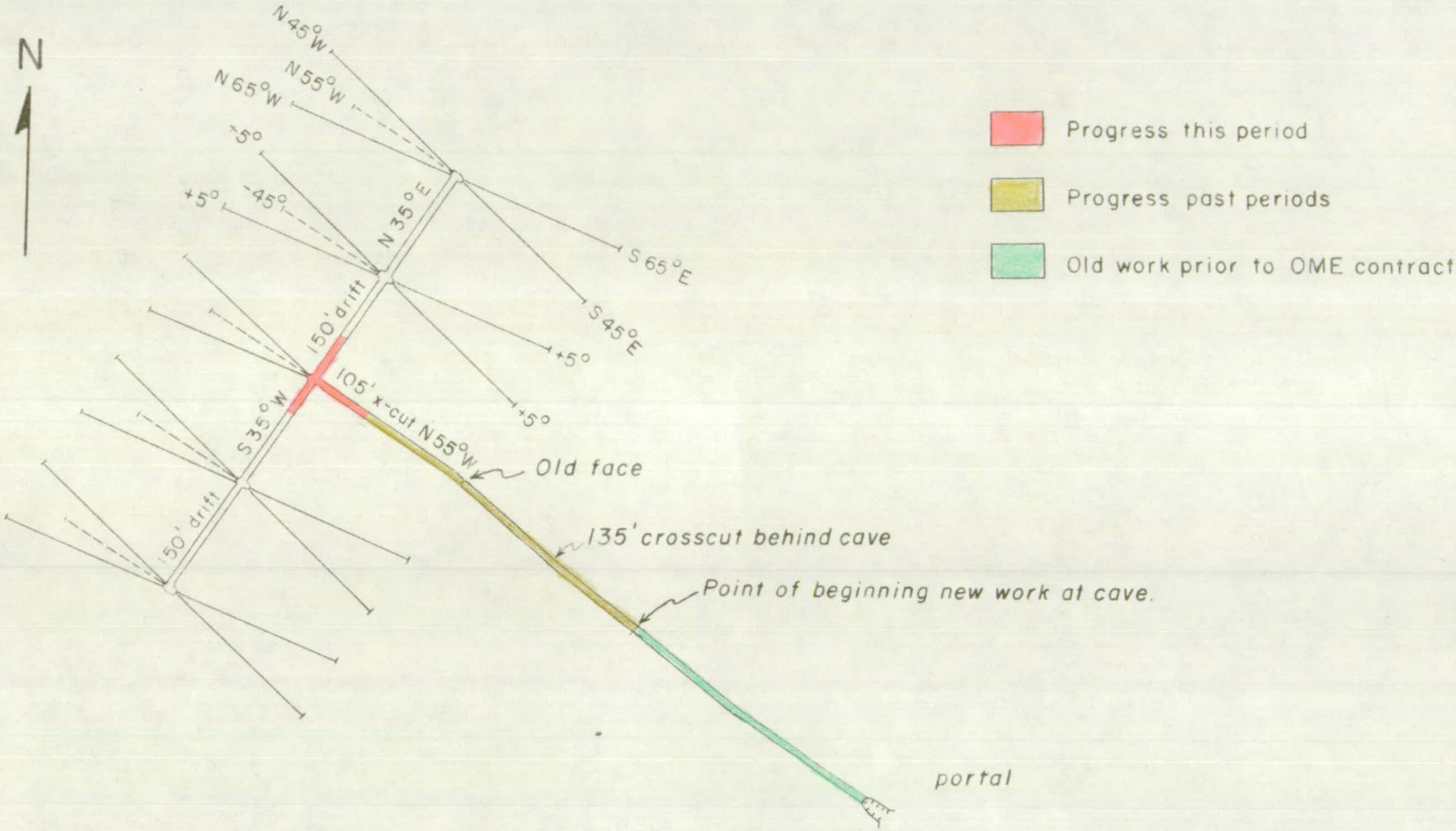
Scale: 1" = 100'

Anthony L. Payne February, 1966

OME - 6500 (SILVER, GOLD)
GREAT BASIN EXPL. CO.
SILVER HILL AREA
MINERAL COUNTY, NEVADA
CONTRACT NO. 2213

COPY
O. M. E.
RECEIVED
JUL 15 1966

INITIALS	CODE
	170 M
JJ	~~110~~
	1208
HK	



Mineral County Nevada

Note: all drill holes 100 ft. deep.

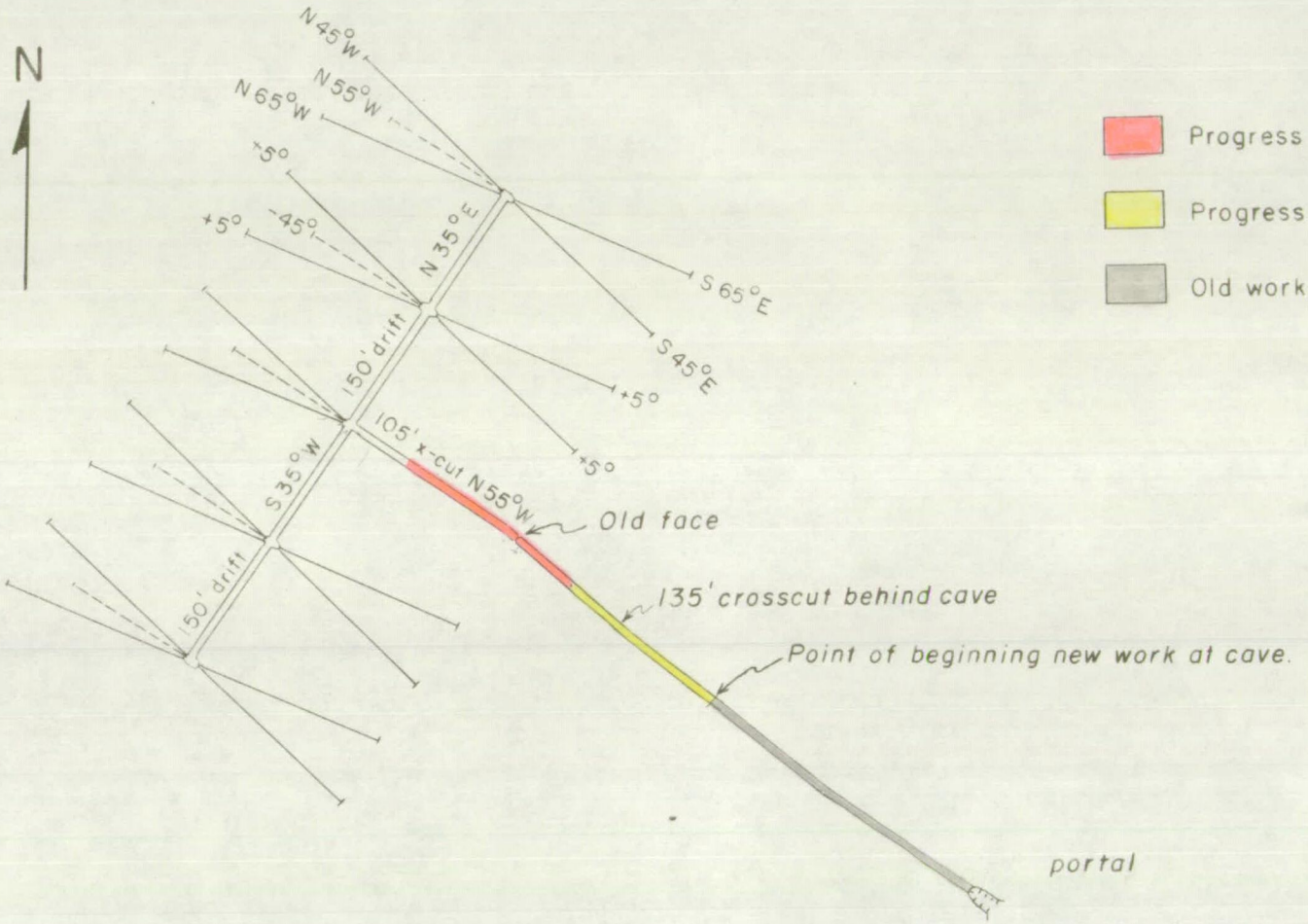
GREAT BASIN EXPLORATION CO.

SILVER HILL PROJECT

Progress map

Scale: 1" = 100'

Anthony L. Payne February, 1966



Progress this period

Progress past periods

Old work prior to OME contract

Mineral County Nevada

Note: all drill holes 100 ft. deep.

GREAT BASIN EXPLORATION CO.

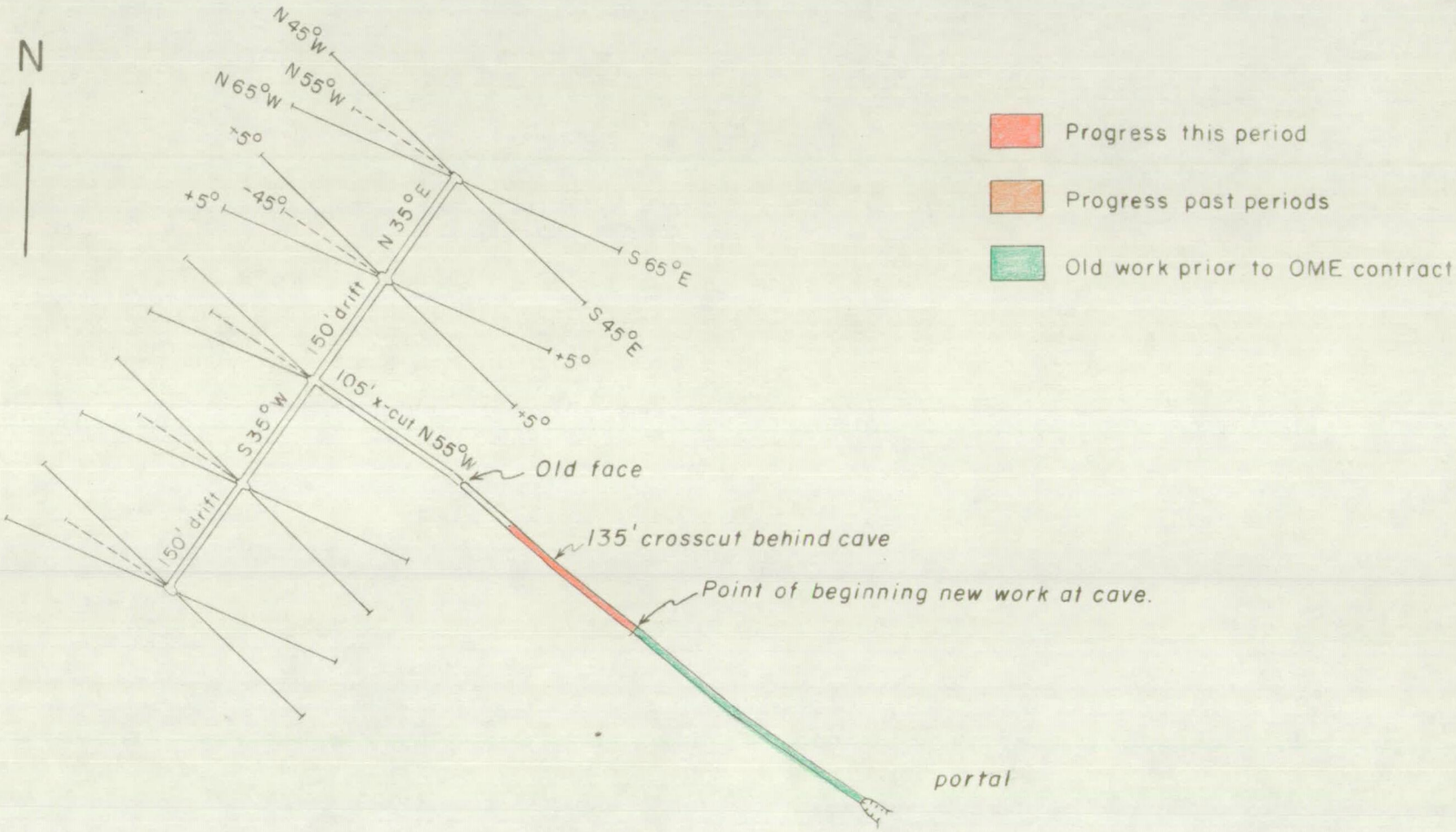
SILVER HILL PROJECT

Progress map

Scale: 1"=100'

Anthony L. Payne February, 1966

MAY 1 1966



Mineral County Nevada

Note: all drill holes 100 ft. deep.

GREAT BASIN EXPLORATION CO.

SILVER HILL PROJECT

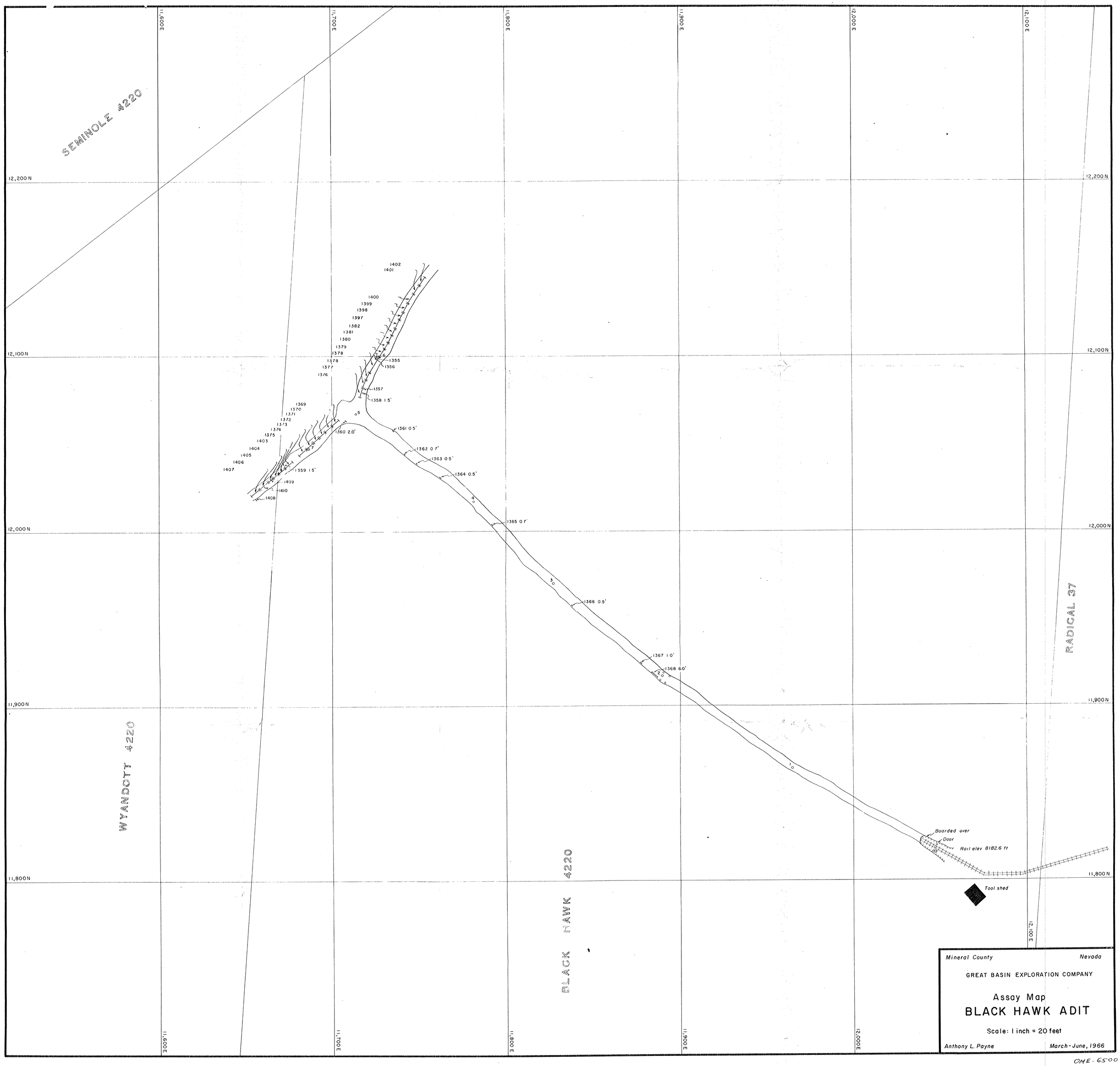
Progress map

Scale: 1" = 100'

Anthony L. Payne February, 1966

MAR 31 1966

11,600E
11,700E
11,800E
11,900E
12,000E
12,100E
12,200N
12,100N
12,000N
11,900N
11,800N
SEMINOLE 422C
WYANDOTT 422C
BLACK HAWK 4220
RADICAL 37
Boarded over
Door
Rail elev 8182.6 ft
Tool shed
Mineral County
Nevada
GREAT BASIN EXPLORATION COMPANY
Assay Map
BLACK HAWK ADIT
Scale: 1 inch = 20 feet
Anthony L. Payne
March-June, 1966


SEMINOLE 4220
WYANDOTT 4220
BLACK HAWK 4220
RADICAL 37
11,600 E
11,700 E
11,800 E
11,900 E
12,000 E
12,100 E
12,200 N
12,100 N
12,000 N
11,900 N
11,800 N
1402
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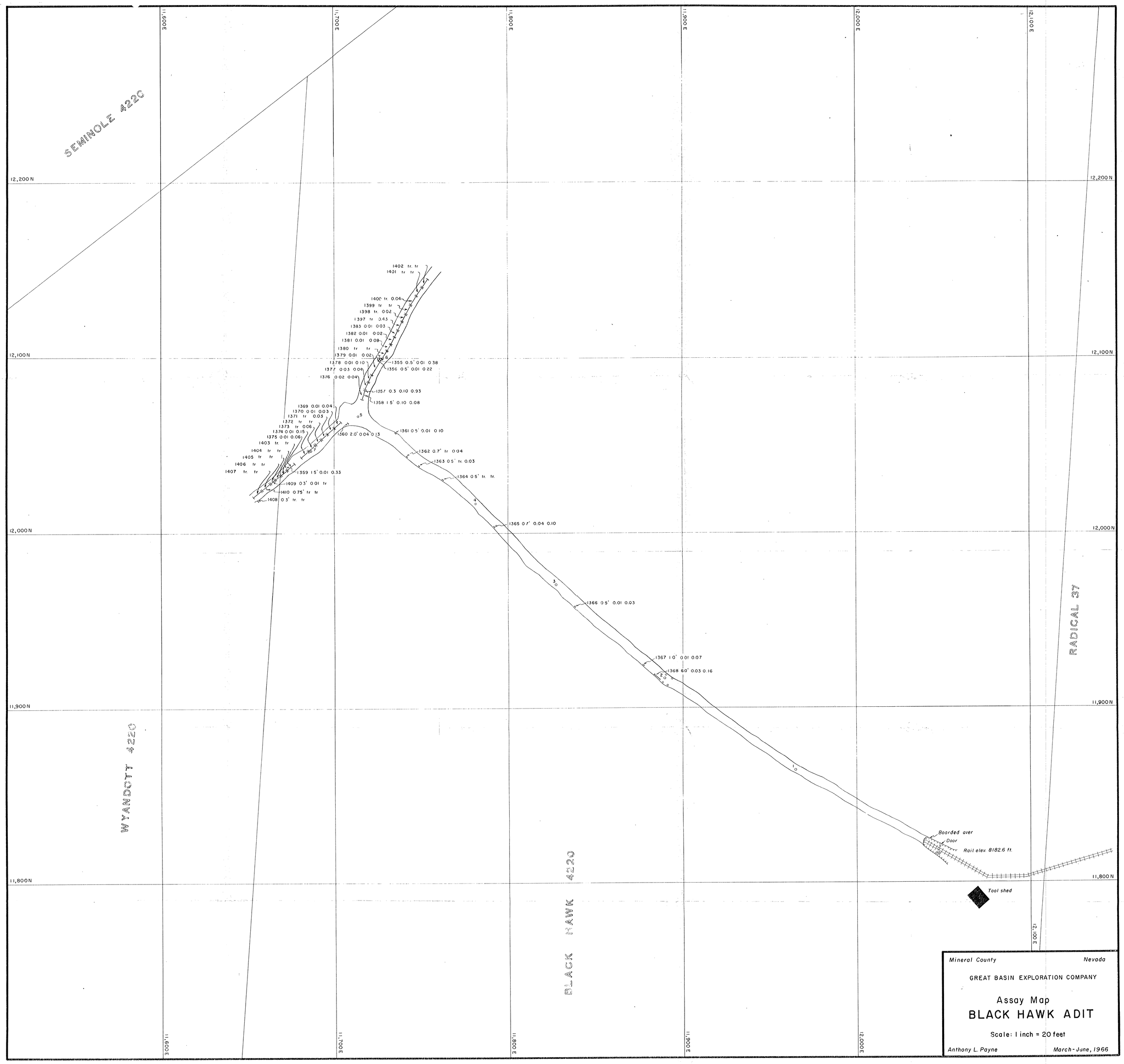
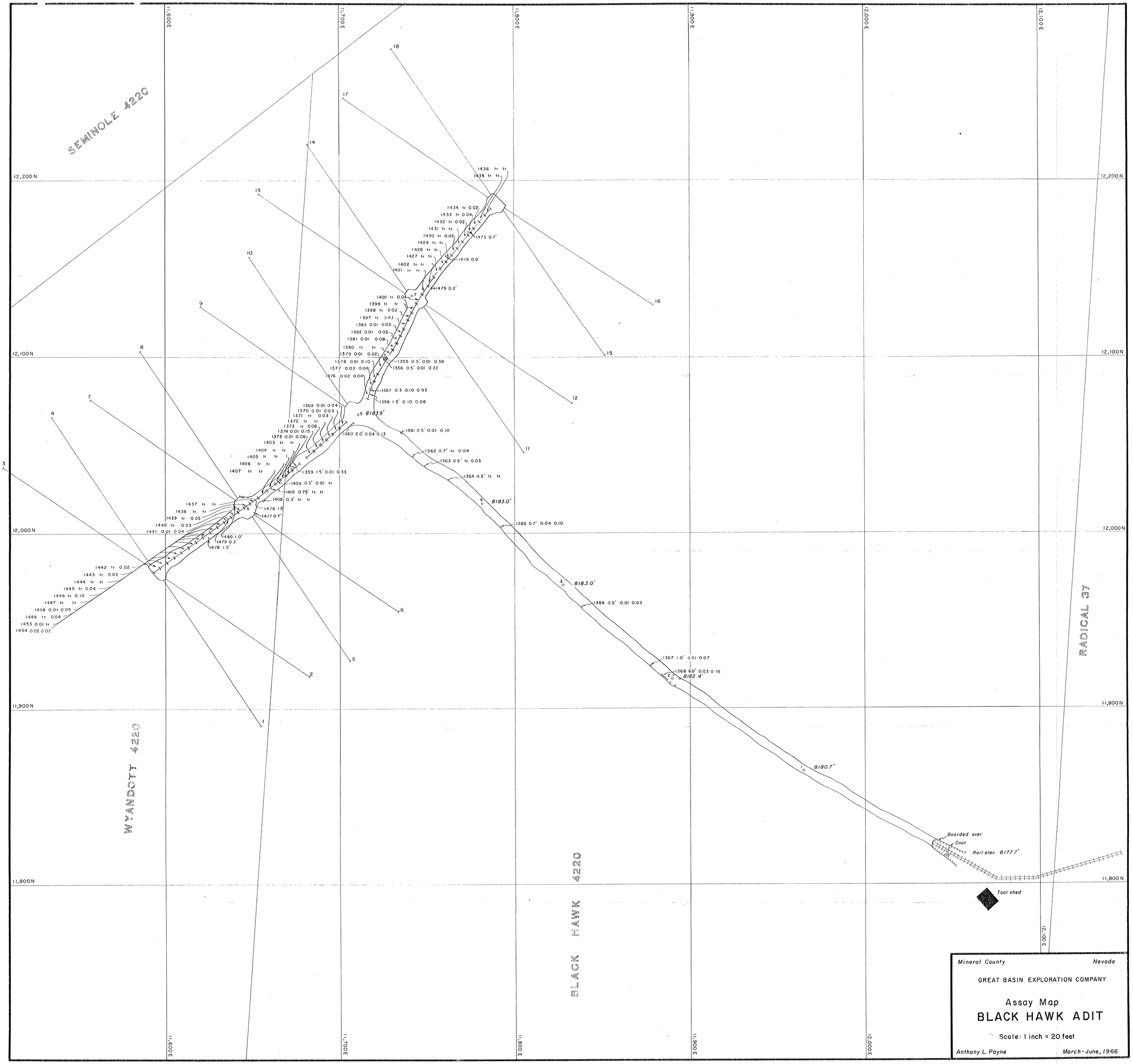
1358 1.5'
1360 2.0'
1359 1.5'
1361 0.5'
1362 0.7'
1363 0.5'
1364 0.5'
1365 0.7'
1366 0.5'
1367 1.0'
1368 6.0'
Boarded over
Door
Rail elev 8182.6 ft
Tool shed
Mineral County
Nevada
GREAT BASIN EXPLORATION COMPANY
Assay Map
BLACK HAWK ADIT
Scale: 1 inch = 20 feet
Anthony L. Payne
March-June, 1966

OME-6500


SEMINOLE 422C
WANDOT 4220
BLACK HAWK 4220
RADICAL 37
11,600 E
11,700 E
11,800 E
11,900 E
12,000 E
12,100 E
12,200 N
12,100 N
12,000 N
11,900 N
11,800 N
1402 tr. tr
1401 tr tr
1400 tr. 0.04
1399 tr tr
1398 tr. 0.02
1397 tr 0.43
1383 0.01 0.03
1382 0.01 0.02
1381 0.01 0.08
1380 tr tr
1379 0.01 0.02
1378 0.01 0.10
1377 0.03 0.04
1376 0.02 0.04
1355 0.5' 0.01 0.38
1356 0.5' 0.01 0.22
1357 0.3 0.10 0.93
1358 1.5' 0.10 0.08
1369 0.01 0.04
1370 0.01 0.03
1371 tr 0.03
1372 tr tr
1373 tr 0.06
1374 0.01 0.15
1375 0.01 0.06
1403 tr. tr
1404 tr tr
1405 tr tr
1406 tr tr
1407 tr. tr
1359 1.5' 0.01 0.33
1409 0.3' 0.01 tr
1410 0.75' tr tr
1408 0.3' tr. tr
1360 2.0' 0.04 0.13
1361 0.5' 0.01 0.10
1362 0.7' tr 0.04
1363 0.5' tr. 0.03
1364 0.5' tr. tr.
1365 0.7' 0.04 0.10
1366 0.5' 0.01 0.03
1367 1.0' 0.01 0.07
1368 6.0' 0.03 0.16
Boarded over
Door
Rail elev. 8182.6 ft.
Tool shed
Mineral County
Nevada
GREAT BASIN EXPLORATION COMPANY
Assay Map
BLACK HAWK ADIT
Scale: 1 inch = 20 feet
Anthony L. Payne
March-June, 1966



Mineral County Nevada

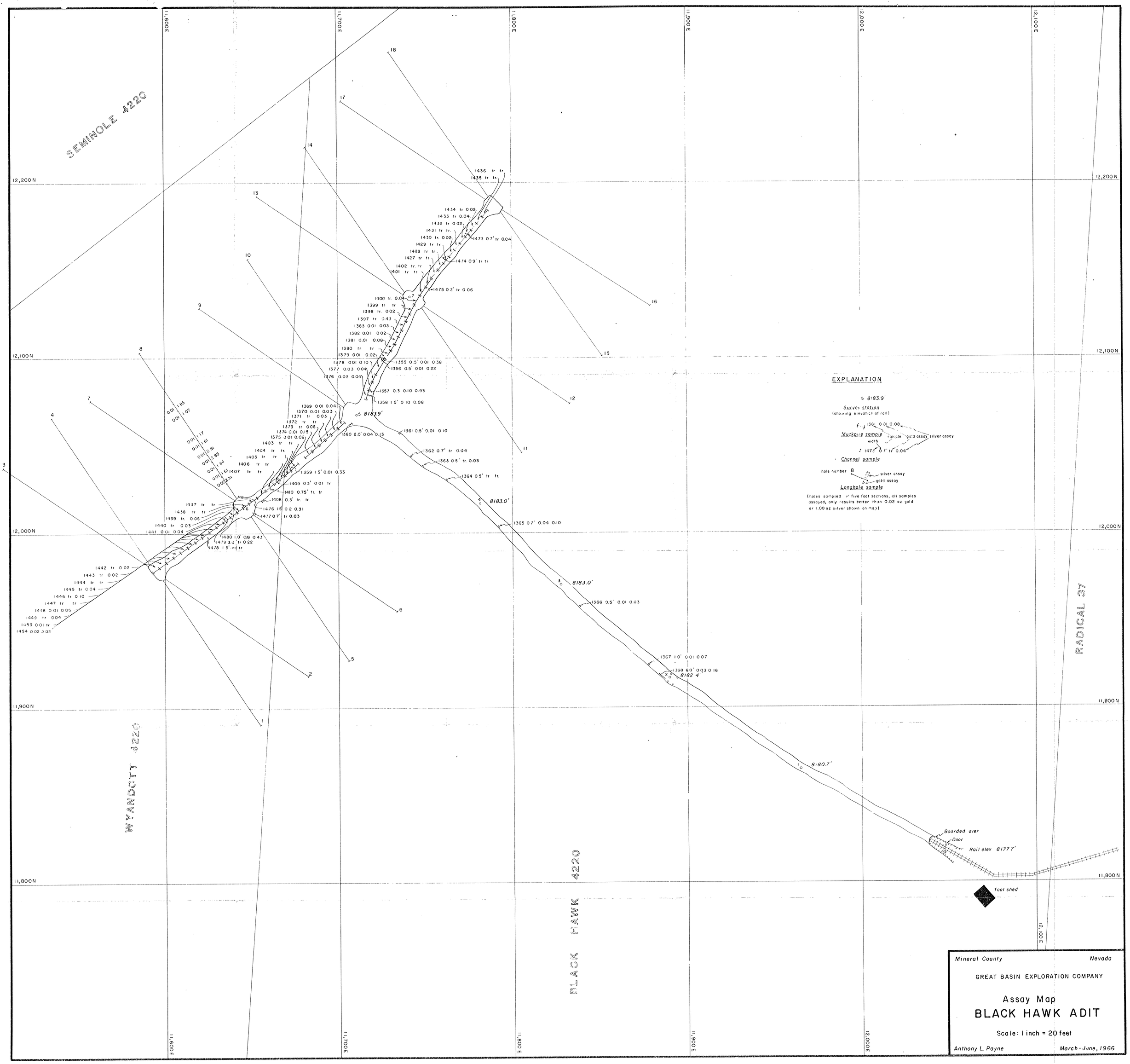
GREAT BASIN EXPLORATION COMPANY

Assay Map

BLACK HAWK ADIT

Scale: 1 inch = 20 feet

Anthony L. Payne March-June, 1966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11,600E
11,700E
11,800E
11,900E
12,000E
12,100E
12,200N
12,100N
12,000N
11,900N
11,800N
EXPLANATION
5 8183.9'
Survey station
(showing elevation of rail)
1361 0.01 0.08
Muckpile sample
sample
gold assay
silver assay
width
1475 0.7' tr 0.04
Channel sample
hole number 8
silver assay
gold assay
Longhole sample
(holes sampled in five foot sections, all samples assayed, only results better than 0.02 oz gold or 1.00 oz silver shown on map)
8183.0'
8180.7'
8182.4'
Boarded over
Door
Rail elev 8177.7'
Tool shed
Mineral County
Nevada
GREAT BASIN EXPLORATION COMPANY
Assay Map
BLACK HAWK ADIT
Scale: 1 inch = 20 feet
Anthony L. Payne
March-June, 1966