MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE  Contract No. 14-23-_____  Docket No. MME- 6540

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

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

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

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52625

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## OFFICE OF MINERALS EXPLORATION

Memorandum March 1, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1966
INITIATE | O. E.

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

From: Field Officer
Region II

Subject: New Application (Mercury)
Hudson and Rong
Pee Wee Claims
Nye County, Nevada

Enclosed is an Application for Financial Assistance submitted to our office by Mr. Arthur Hudson, 145 Seventh Avenue, San Francisco, California in the amount of $30,000.00.

The property is in approximately T. 8 N., R. 44 E., MDBM, about 50 miles southeast of Tonopah, in Nye County, Nevada. NE

The applicants propose to explore a newly discovered mercury deposit by driving a drift on the ore-bearing fault a distance of about 350 feet and then raise about 100 feet to connect with an existing inclined shaft. + Stage II vert. shaft 100 ft.

There has been no production from the property and assays included in the application appear very low in grade. * A field examination will probably be required to appraise the potential of the property.

H. K. Stager

H. K. Stager

Enclosures

* See Graves' letter of 1/7/65

MME Form 40
Jan. 65

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1966
LEGAL CODE

# APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

HUDSON AND RONG
P. O. Box 113
Manhattan, Nevada

**APPLICANT DO NOT USE THIS BLOCK**

DOCKET NUMBER: 6540

DATE RECEIVED: MARCH 3, 1966

REGION: ~~II~~ II

DIVISION CODE:

**BUSINESS ORGANIZATION** *(Check one)*

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

**LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE**

| NAME | ADDRESS | TITLE |
|---|---|---|
| Arthur Hudson | 145 Seventh Ave. San Francisco, Calif. | |
| George W. Rong | P.O. Box 113 Manhattan, Nev. | |

STATE IN WHICH FIRM IS ORGANIZED: Nevada

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

ESTIMATED COST OF PROJECT: $ 30,000.00

PROPERTY- Claims

| NAME | LOCATION COUNTY | STATE |
|---|---|---|
| Pee Wee | Nye | Nevada |
| Pee Wee East | Nye | Nevada |
| ~~Pee Wee West~~ | ~~Nye~~ | ~~Nevada~~ |

## GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

## CERTIFICATION

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

Feb 16 - 1966
DATED

partners Arthur Hudson
BY (Signature)

George W. Rong
TITLE

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

# INFORMATION REQUIRED WITH THIS APPLICATION

## 1. Financial Eligibility:

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

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

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

## 2. Applicant's Rights in Land:

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

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

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

## 3. Physical Description:

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

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

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

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

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

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

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

## 4. Accessibility of Property:

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

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

## 5. Exploration Work:

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

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

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

## 6. Experience:

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

## 7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

1. FINANCIAL ELIGIBILITY

(a) Two letters of refusal enclosed

(b) Does not apply

(c) "Hudson and Rong" have nearly all equipment needed to set up and pursue proposed job to its finish. Some cash on hand . Both owners have background of mining experience.

For financial responsibility, Hudson refers you to the Wells Fargo Bank at Seventh Avenue and Clements Street, San Francisco.

Mr. Rong refers you to the First National Bank of Nevada, Tonopah Branch, Tonopah, Nevada.

2. APPLICANTS RIGHTS TO LAND

(a) Arthur Hudson and George Rong are the sole owners of this group of claims.

(b) This prospect consists of three claims located and held by right of discovery and location.

Names of the three claims are "Pee Wee," Pee Wee East," and "Pee Wee West."

All of which are recorded in the courthouse , Nye county, Tonopah, Nevada. Also proof of labor for year ending September , 1966.

To wit.:

| | |
|---|---|
| Pee Wee Claim | Book #76, page 23, date Jan. 27, 1965 |
| Pee Wee East Claim | Book #76, page 23, date Jan. 27, 1965 |
| Pee Wee West Claim | Book #76, page 24, |

3. PHYSICAL DESCRIPTION

(a) Work done at this time consists of shaft 45 feet deep, approximately 40 degree pitch and several holes 4'x6'x10' done on fault or ore bearing vein. Bull dozer work consisting of cuts to prove ore and show extent of fault to be approximately 700-800' in length. Ore showing approximately 250' in length.

(b) Done by and at the expense of Arthur Hudson and George W. Rong.

(c) None

(d) None

(e) These three claims are in highly faulted sedementry formation. The invading rock is granite, pegmatites? approximately one mile in a southerly direction from prospect. Deposit is of vein type on fault standing approximately 40-45 degrees.

(f) Prospect now shows ore of fair grade. This ore seemed to pan better as some depth was gained in shaft.

(g) None

4. ACCESSABILITY OF PROPERTY

(a) George W. Rong and/or Arthur Hudson will meet and show OME representative to property

(b) Tonopah, Nevada is fifty miles from property. Manhattan, Nevada is four miles from property.

5. EXPLORATION WORK

(a) We propose 4'x7' shaft sank on incline or 5'x7' tunnel drove at bottom of hill, distance of 350' which would cut vein at approximate depth of 120'.

(b) Access road has been built by owners to both proposed work sites.

(c) Work could start by April 1.
Shaft could expect daily average of 2'.
Tunnel could expect daily average of 3½'.

6. EXPERIENCE

(a) Both owners have many years experience in mining and milling in the state of Nevada.

7. ESTIMATE OF COST

(a) Estimate of cost on a per unit basis:
Tunnel - $40 per foot
Raise - $30 per foot
Vertical shaft - $100 per foot

(b) All needed services here.

(c) All equipment now needed now owned by owners, with exception of shaft timber or drift timber and rails, airpipe, vent pipe, ties, tramcar, and misc.

(d) Owners have Swede drill and jack leg (value $500), Smith compressor (value, $1,000), air and water hoses (value, $100), pressure tank (value, $50), hoist and power, sheave wheels (value, $500), all small hand tools and all drill steel needed (value, $150).

(e) None

(f) Head frame (value, $400), hoist house (value, $300), compressor building (value $150), hoist on hand (value, $300).

(g) This would be small operation and none of these costs would apply. In most of the work done, where necessary, they would be done by the owners themselves.

Footnote: It is deemed advisable at this point to call attention to this fact; wages here locally are $2.50 per hour for all classes of labor, and any trade or craft is is relatively higher. Our cost per unit will, therefore, be somewhat higher than in some other locality.

Signed by: Arthur Hudson
Arthur Hudson

Signed by: Geo W. Rong
George W. Rong

Cost of $14,000 for labor, rental or equipment use, or of equipment. Cost of $1,328 for timber, rails, vent pipe, ties, fish plate, track spike, air and water pipe.

Estimated cost of proposed air raise to connect with bottom of shaft now sunk at $30 per foot comes to $3,000.

at this point, if the showing now made warrents further expenditure, subject to the judgment of OME engineer and/or geologist, we propose that a vertical shaft at point X so marked on map herein enclosed be sunk 100 feet to intersect vein which dips at approximately 45 degrees. A rough estimate of this work on a per unit basis by the owners has been placed at $100 per foot or cost of $10,000 above estimate includes head from hoist house, hoist timber, etc.

In view of the above figures, owners would like to make application for loan in the amount of $30,000, subject to examination and approved of OME engineer.

Signed by: Arthur Hudson
Arthur Hudson

Signed by: Geo W. Rong
George W. Rong

## COSTS

| | | |
|---|---|---|
| Tunnel - | 350 feet at $40 per foot | $14,000 |
| | Timber | 150 |
| | Track, Crossties | 425 |
| | Vent pipe, 350 feet | 175 |
| | Rent engine, Brower | 50 |
| | Mine car | 25 |
| | Air line | 350 |

Pee Wee Claim File #50790, Jan. 27, 1965
Book #76, page 23

Pee Wee East Claim File #50790, Jan. 27, 1965
Book #76, page 23

Pee Wee West Claim Book #76, page 24
Nye County Records

Deed of mining claim from George W. Rong to Arthur Hudson for half interest in the following claims: Pee Wee, Pee Wee East, and Pee Wee West is recorded in Book #80, page 397, and is file # 52619, dated August 9, 1965, Nye County records, Tonopah, Nevada.

Signed by: Arthur Hudson
Arthur Hudson

Signed by: Geo W. Rong
George W. Rong

North

200 ft to 1 inch

PEE WEE WEST

Pee Wee West.

PEE WEE

Pee Wee

PEE WEE EAST

Pee Wee. East

PLAN OF CLAIMS (Not Surveyed)

Manhattan Nev.
Jan 18-64

Nev. Bank of Commerce
Sirs

Am writing you to Request a loan of $5000.00 ~~for $10,000.00~~ to be used to develop Mercury Prospect owned by Arthur Hudson and G.E.W. Pong
Said loan to be issued in the Partnership name of Hudson and Pong
Will ~~you~~ Please let me know as to availability of loan, Interest Rate
Etc

Sincerely
Hudson + Pong
By. G.E.W. Pong

Nevada Bank of Commerce
STATEWIDE
AUSTIN BRANCH

January 26, 1966

Hudson & Rong
Manhattan, Nevada

Gentlemen:

This Bank dose not give a long term loans. So we are unable to issue a loan in amount of $25,000.00 for which you requested for developing Mercury Prospect, at this time.

Very truly yours

DeEtta Markland

DeEtta Markland
Ass't Mgr.

SIXTH & MAIN STREETS • TELEPHONE 964-2629
MAILING ADDRESS: POST OFFICE BOX 38 • AUSTIN, NEVADA 89310

Tonopah, Nevada
February 16, 1966

Copy

Mr. James Morrow
First National Bank of Nevada
Tonopah, Nevada

Dear Sir,

Mr. George Rong and I own a very promising quick silver property in the Manhattan mining district. As we have exhausted our funds in developing this property, we are seeking further money in the shape of a long term loan for further development purposes.

Would it be possible to obtain such a loan from your bank? If so, a full detailed report would be furnished you as well as ownership, etc.

Thanking you for considering the above.

Yours truly,

Hudson & Rong
by Arthur Hudson

FIRST NATIONAL BANK OF NEVADA
TONOPAH OFFICE • MAIN STREET
P.O. Box 313, Tonopah, Nevada • 89049

February 24, 1966

Mr. Arthur Hudson
Manhatten, Nevada

Dear Mr. Hudson:

We have given serious consideration to your request for a loan in the amount of $30,000 to assist you in developing a Quick Silver Property. We consider mining a highly speculative business and one where it is impossible to determine definite income. We must, therefore, decline your request for this loan.

Sincerely yours,

J. L. Morrow
Manager

JIM/llc

Telephone 363-3302

Hand Sample Serial 39836

ASSAY REPORT

# UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
LILY M. HOTTINGER, Secretary
P. O. Box 1528
Salt Lake City 10, Utah

Mine George W. Rong
Box 113
Manhattan, Nevada

RESULTS PER TON OF 2000 POUNDS

Dec. 31, 1964

| NUMBER | GOLD Ozs. per Ton | SILVER Ozs. per Ton | LEAD Wet on Ore | COPPER Per Cent | INSOL. Per Cent | ZINC Per Cent | SULPHUR Per Cent | IRON Per Cent | LIME Per Cent | Per Cent | [illegible] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Hg-per cent | Hg-lbs per ton |
| 10' across 2'1/2' shaft. | | | | | | | | | | | |
| #3 | | | | | | | | | | 0.045 | 0.90 |

Remarks

Charges $ 4.00 Paid

W. C. Wanlass

# Mariposa Spectrographic Laboratory

Mariposa, California

WOodland 6-2591

Mr. George W. Rong
Box 113
Manhattan, Nevada

1/7/65

Dear Mr. Rong:

Enclosed, find spectrographic analysis report covering the recently submitted sample of "concentrates" sent us.

This material has between 1.0 and 4.0% Mercury(Hg) present, with the true percentage at about 2.5%. However, in view of the nature of the element Mercury, it is necessary to make a chemical analysis to arrive at the exact quantity present.

The material submitted is essentially composed of Silicon-dioxide, with a small quantity of Orthoclase feldspar, or feldspathic groundmass material such as andesite. The material also contains small quantities of Silver, Lead, Zinc, Zirconium, as well as smaller quantities of other elements as shown.

In view of the relatively large percentage of the element Mercury in your material, we would think that the assay attempt may have been made with either a badly mixed solution or possibly the solution has lost it's strength through shelf time. At any rate Mr. Rong your material most certainly does contain considerable Mercury. Specimen ?

We have enclosed our complete price list for your future consideration.

Our most sincere thanks to you Mr. Rong, and if we can serve your analytical needs in the future, please call on us. We will be most pleased to serve you.

Sincerely,

George R. Graves

George R. Graves

lcc

# LABORATORY CERTIFICATE OF ANALYSIS

*Geochemistry*
*Photogrammetry*
*Chemical Analysis*
*Mining and Geological Engineers*
*General Engineering*
*Airborne Surveys*
*Blue Printing*

## GEOSERVICES

**"SERVING THE MINERAL INDUSTRY"**

TONOPAH, NEVADA, 89049

TELEPHONE 482-6963

*Assaying*
*Spectrography*
*Land Surveying*
*Metallurgical Testing*
*Diamond Drilling*
*Contract Mining*
*Petrography*

**MAIL:** P. O. BOX 1089 **OFFICE & LABORATORY:** BROUGHER AND SUMMIT STREETS

**Submitted by:** Mr. Art Hudson
Box 112
Manhattan, Nevada

Date: August 14, 1965

Reference:

| LAB NO. | MARK | PER TON OF 2,000 LBS. GOLD OUNCES | GOLD VALUE | SILVER OUNCES | SILVER VALUE | COPPER PER CENT | LEAD PER CENT | ZINC PER CENT |
|---|---|---|---|---|---|---|---|---|
| | | Mercury pounds per ton | | | | | | |
| 960 | One sample | 1.25 | | | | | | |
| | 20' deep in shaft. across - 2½' | | | | | | | |

GOLD AT _____ PER OUNCE

SILVER AT _____ PER OUNCE

COPPER AT _____ PER UNIT

LEAD AT _____ PER UNIT

REMARKS

CHARGES $3.00 Paid to Date

RESPECTFULLY SUBMITTED,

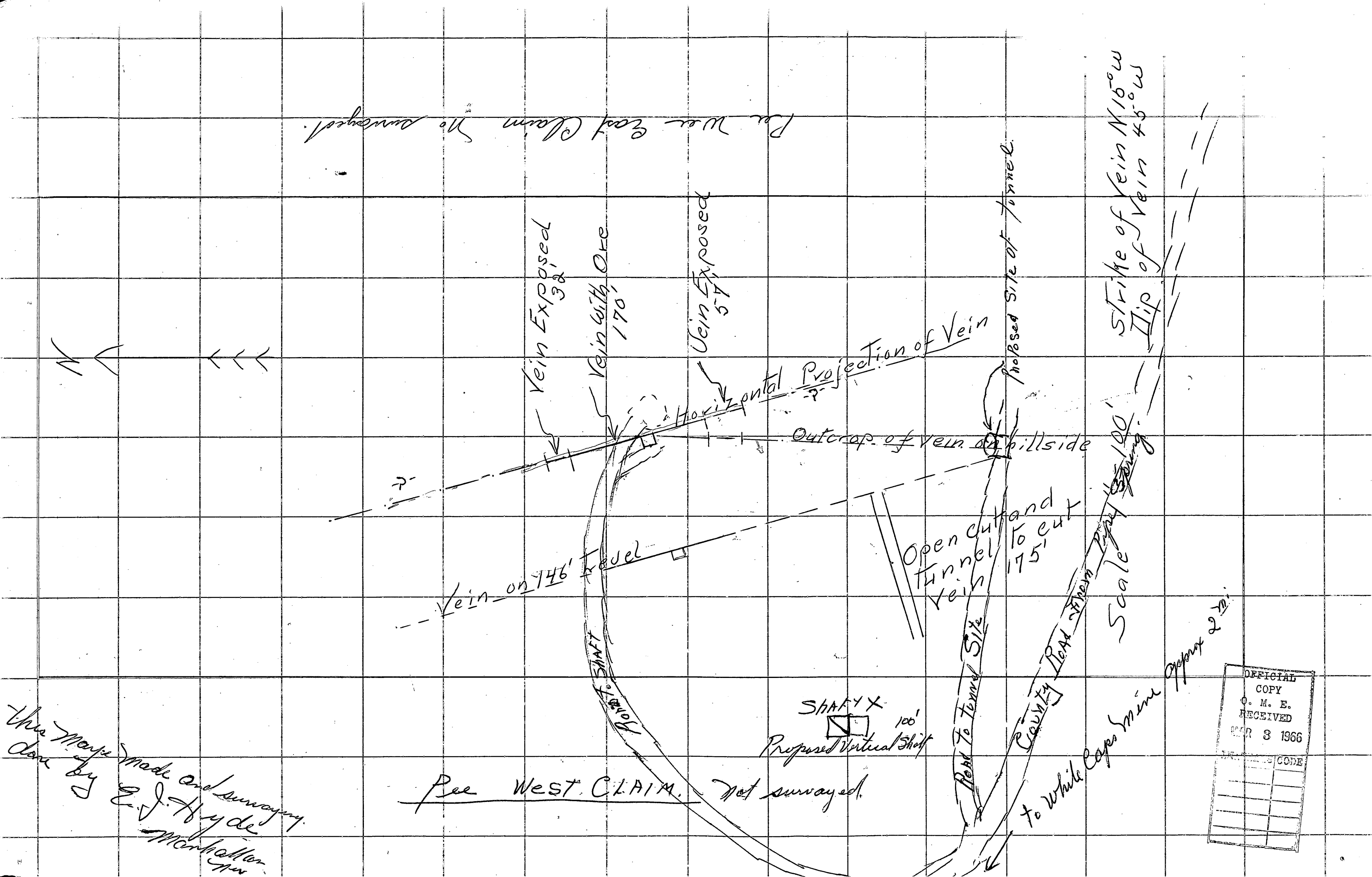
**GEOSERVICES**

David Walker

BY David Walker

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS. AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS, OR EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

TONOPAH TIMES-BONANZA


Pee West Gold Claim Not surveyed.
Vein Exposed 32'
Vein with Ore 170'
Vein Exposed 54'
Horizontal Projection of Vein
Proposed Site of Tunnel
Strike of Vein N 15° W
Dip of Vein 45° W
Outcrop of vein on hillside
Open cut and Tunnel to cut Vein 175'
Vein on 146' level
Point of SHAFT
SHAFT X
100'
Proposed Vertical Shaft
Road to Tunnel Site
County Road from Pyramid Springs
Scale 100'
to White Caps Mine approx 2 mi
Pee West CLAIM. Not surveyed.
This Map was made and surveying done by E. J. Hyde Manhattan Nev.
OFFICIAL COPY O. M. E. RECEIVED MAR 3 1966
CODE

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/6 | RM Smith | 120x8 |
| | | 120K |
| 5/6 | Johnson | 110 |
| | | 220 |
| 5/9 | Kilgore | |
| 5/10 | Lewis | |
| 5/10 | Hyman | |
| | | 220 |
| | | |

MAY 1 1 1966

Hudson and Hang
P. O. Box 113
Manhattan, Nevada

Re: OME-6340 (Mercury)
Hudson and Hang
Pee Wee Group of Claims
Nye County, Nevada

Gentlemen:

Careful study of your application for financial assistance in exploring the referenced claims and of other information available to us indicates that the probability of discovering significant amounts of mercury ore is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for exploration assistance is denied.

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
130
120M
RMSmith/mm (5/3/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | | |
| | | 120 |
| | | 110 |
| | | 220 |
| | | |
| | | |
| | | |
| | | |
| | | |

May 4, 1966

Memorandum

To: The File

From: Roscoe M. Smith

Subject: OME-6540 (Mercury)
Hudson and Rong
Pee Wee Group of Claims
Nye County, Nevada

Justification for Denial of Application

Cinnabar occurs in and is confined to quartzite fault-gouge as much as 3 feet thick along a fault that strikes N. 10°W., dips 45°W., and cuts quartzite strata of the Gold Hill formation of Cambrian age which strike east and dip steeply north or are vertical. The fault is exposed for about 300 feet on the surface and for about 40 feet in an incline shaft. Cinnabar is not visible along the fault but can be seen when a sample of the fault-zone material is crushed and panned. Average grade is about half a pound of mercury per ton, but the best material mined from the shaft averages 2 pounds of mercury per ton.

The Applicant stated that the ". . . ore seemed to pan better as some depth was gained in the shaft." The Field Officer, however, considers it possible but not geologically probable that pods of ore grade material may exist down the dip of the fault zone below the shaft. No indications of other mineralized shoots along the fault or of other mineralized structures on the claims were seen.

As no exploration target can be inferred, the probability of a significant discovery is remote. I concur in the Field Officer's recommendation to deny the application.

R. M. Smith

R. M. Smith

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

RMSmith/mm (5/4/66)

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

April 29, 1966

OFFICIAL COPY
MAY 2 1966

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

From: Field Officer
Region II

Subject: OME-6540 (Mercury)
Hudson and Rong
Pee Wee Group of Claims
Nye County, Nevada

130
110
5/2 M 120 mgr
120 S

Enclosed is my Application Report on the subject property, recommending that the Application for Financial Assistance be denied.

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6540 (Mercury)
Hudson and Rong
Pee Wee Group of Claims
Nye County, Nevada

By

H. K. Stager
Field Officer
OME, Region II

April 29, 1966

FIELD EXAM SEPT.

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ILLUSTRATIONS

Figure 1. Index map of Nye County, Nevada.

## INTRODUCTION

The partnership of Arthur Hudson and George W. Rong, P.O. Box 113, Manhattan, Nev., applied to the Office of Minerals Exploration for Government assistance in a $30,000 program, Docket OME-6540, to explore for mercury at the Pee Wee Claims, Nye County, Nev. The applicants infer the presence of mercury-bearing ore bodies along a fault in quartzite and wish to explore for these ore bodies by drifting on the fault.

A field examination was requested by the Office of Minerals Exploration, and was made by H. K. Stager, Field Officer, on April 13, 1966, accompanied by Mr. George W. Rong. The mine workings, consisting of a shallow shaft and several prospect pits and trenches, were carefully examined. Five samples were taken and the assays are included in this report.

## SUMMARY

The Pee Wee Claims contain a fault zone cutting quartzite. The rocks along and in the zone are slightly altered and locally contain minor amounts of cinnabar. The results of the examination indicate that the deposit is of limited extent along the fault zone and the grade is too low to be of economic interest.

The applicants proposed to explore the fault zone by driving a 350-foot adit along the fault from a point about 120 feet below the outcrop and raising to connect with the prospect shaft in the center of the mineralized exposure. The low grade of the material and the small tonnage that can be inferred do not warrant Government participation in an exploration project for mercury on the Pee Wee Claims. There is no geologic evidence to indicate larger or higher grade mercury ore bodies below the present exposures or elsewhere on the claims.

## RECOMMENDATIONS

It is recommended that the application for Government assistance in an exploration project on the Pee Wee Claims be denied on the basis that the geologic probability of discovering mercury-bearing ore bodies of minable size and grade is too remote.

## LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Pee Wee Claims are in T. 8 N., R. 44 E., MDBM, in an unnamed mining district, on the west flank of the Toquima Range at an altitude of about 7,500 feet, Nye County, Nev. (Fig. 1).

To reach the property, that is about 4 miles southeast of Manhattan, Nev., go southeast on the graded dirt road about 6 miles to Pipe Springs, turn left (north) on a dirt road about 1 mile to the claims, that are on a low hill on the east side of the road. The road is sometimes impassable because of rain or snow but is generally passable to ordinary two-wheel drive vehicles.

Labor is available in Manhattan as are mail and telephone services. Supplies and freight service are available in Tonopah, 50 miles. Railroad service is available in Mina, 120 miles. Water is available at Pipe Springs. There is only scrub timber on the property—dimension timber at $90 per M is available in Tonopah. Assay service is available in Tonopah at $3 per sample for mercury. The local wage scale for miners is about $2.50 per hour.

## PROPERTY

### History and Production

Cinnabar was discovered in the claim area by Mr. Rong in 1964 when he was panning stream sediments in prospecting for gold. He traced the source of the cinnabar to a fault zone in quartzite and located the Pee Wee Claim in January 1965. There has been no mercury production from the property or elsewhere in the near vicinity.

### Ownership

The property consists of three unpatented claims, the Pee Wee, Pee Wee East, and Pee Wee West. These claims are recorded in Tonopah, Nev., in Book No. 76, pages 23 and 24. The claims are owned by the applicants. Assessment work has been done and the proof of labor filed for fiscal year 1966.

### Financial Eligibility

The applicants have furnished evidence, accompanying the application, that they were unsuccessful in securing a loan for exploration purposes from two banking institutions. They proposed to furnish their share of exploration costs by use of their equipment, labor, and limited capital.

### Development

The property is developed by two bulldozer cuts across the mineralized fault zone, several shallow prospect pits or trenches, and a prospect shaft about 40 feet in depth down the 45° dip of the fault near the center of the Pee Wee Claim

## GEOLOGY

### Geologic Setting

The claims are along a small ridge in an area of moderate relief, underlain by schist and quartzite of the Gold Hill Formation of Cambrian age. Outcrops are abundant in the claim area and consist chiefly of thin-bedded white to light-gray quartzite, with lesser amounts of buff-colored schist, and locally thin beds of dark-gray limestone. The Gold Hill Formation is several thousands of feet thick and neither the top nor bottom of the formation is exposed in the vicinity.

The rocks strike west and are vertical or dip steeply north. Near the center of the Pee Wee Claim they are cut by a fault that strikes about N. 10° W. and dips about 45° W. The mercury deposit is in this fault.

### Ore Deposits

The mercury deposit consists of sparse cinnabar in fault gouge. It is exposed along the strike of the fault for about 300 feet and has been exposed down dip for about 40 feet. It is about 3 feet thick in the widest part but averages less than 1 foot in thickness. There is some hydrothermal alteration along the fault, but in general the gouge consists of limonite-stained quartzite. Cinnabar is not visible in the pits, trenches, or shafts, but can be seen when a sample of the fault zone material is crushed and panned. The average grade of the best material that has been mined from the shaft and stockpiled at the surface is about 2 pounds of mercury per ton. Most of the fault gouge exposed at the surface averages about a half a pound of mercury per ton.

## Sampling

Five samples were taken of the mineralized material exposed on the Pee Wee Claim. The results of assaying of these samples were as follows:

| Sample Number | Pounds of mercury per ton | Description |
|---|---|---|
| 1 | 0.66 | Grab across 1' of fault gouge in prospect pit (6' deep), 40' south of main shaft |
| 2 | 2.00 | Grab of ore pile at shaft |
| 3 | 0.26 | Chip sample across 1' of fault zone on south side at bottom of 40' shaft |
| 4 | 0.80 | Chip sample across 1' of fault zone on north side of shaft 20' above bottom |
| 5 | 0.40 | Grab across 1' of fault gouge along 5' of strike in trench 50' north of shaft |

## Ore Reserves

There are no reserves of ore grade mercury-bearing material exposed on the Pee Wee Claims. A stockpile, containing several tons of material, from the best exposures encountered in sinking the 40' shaft, assays about 2 pounds of mercury per ton. It is possible, but not considered geologically probable, that pods of ore grade material may be present down the dip of the mineralized fault zone exposed in the shaft. It is expected that any new mineralized shoots discovered would be about the same grade as the one exposed. There are no indications of other mineralized structures elsewhere in the claim area.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURV

OME-6540
(Mercury)

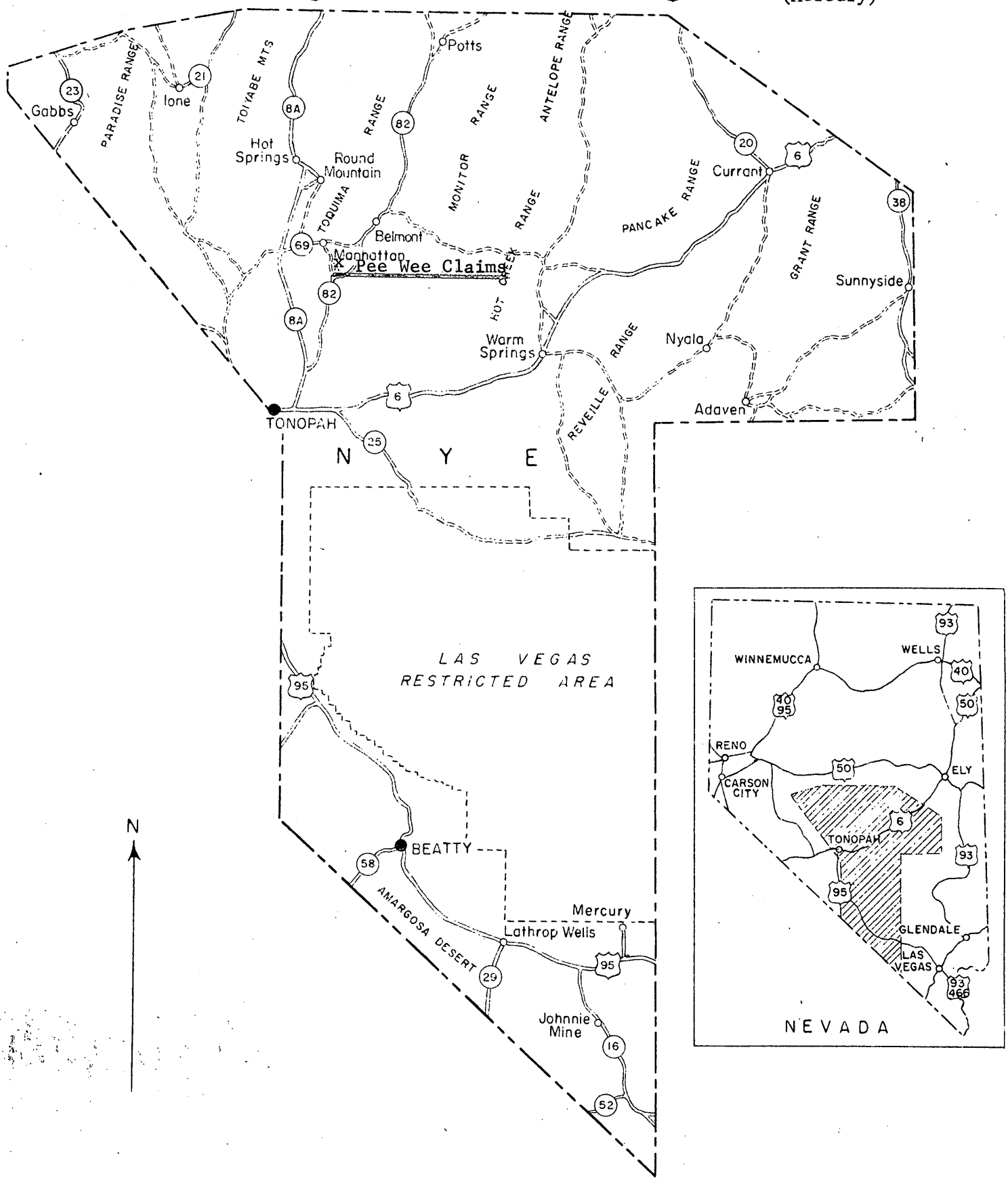


Figure 1. INDEX MAP OF NYE COUNTY, NEVADA

0 25 50 75 Miles

O.M.E. 6540
(Mercury)
Pee Wee Claims
Nye County, Nevada.
Hudson & Ring

San Francisco. Ca
Mar 24 - 66.

RECEIVED
MAR 28 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

110
120 M
RMS 120S

Mr. H. K. Stager
Menlo Park.

Dear Mr. Stager -

I a letter from my partner -

Geo Ring he informs me that the snow is gone and the road to our prospect is now open. so an examination can be made at any time If it would be possible for you to let me know either by card or over the phone when you would be able to make the trip there I could telephone to Mr. Ring and make sure he would be there to show you the property You can phone me at this number and reverse the charges - E.V. 6-6462 San Francisco

Sincerely
Arthur Hudson

Arthur Hudson
145 - 7th Avenue
San Francisco, Calif. 94118

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/8 | R.M. Smith | 120 |
| | Selfridge | 120 |
| | | 110 |
| 3/8 | | 220 |
| | | 120 |
| | | |
| | | |
| | | |
| | | |

MAR 2 1966

Hudson and Rong
P. O. Box 113
Manhattan, Nevada

Re: OME-6540 (Mercury)
Hudson and Rong
Pee Wee Group of Claims
Nye County, Nevada

Gentlemen:

The application for assistance in exploring the subject property has now been reviewed by the Washington Office and referred to Mr. H. K. Stager, Field Officer, Region II, U. S. Geological Survey, Office of Minerals Exploration, 345 Middlefield Road, Menlo Park, California 94025.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

(Sgd.) 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
Region II
Mr. Smith

RMSmith/mm (3/8/66)

23263

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/8 | RMSmith | 120 |
| | Selfridge | 120 |
| | | 110 |
| | | ~~520~~ |
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| | | |
| | | |

MAR 8 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6540 (Mercury)
Hudson and Hong
Pee Wee Group of Claims
Nye County, Nevada

The subject application is referred to Region II for a field examination and recommendations.

From our review of the application, noting that the mercury deposit is newly discovered and that the Applicants are practical miners, we concur in your conclusion that a field examination is required to appraise the geologic probability of a significant discovery.

In case you recommend a contract, a detailed cost estimate to support the Applicants' summary should be obtained. Whether or not to include the proposed 100-foot vertical shaft as Stage II, we shall leave to your good judgment; but we would not approve a shaft without some drifting along the vein. If Stage I is successful, however, the proposed Stage II would be considered to be development.

(Signed) FRANK E. JOHNSON

Frank E. Johnson

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

RMSmith/mm (3/8/66)

March 3, 1966

Hudson and Rong
P. O. Box 113
Manhattan, Nevada

Subject: OME - 6540

Gentlemen:

Your application for exploration assistance, dated February 16, 1966, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6540.

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