MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6649

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- [ ] Withdrawn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) 10/11/67
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

August 24, 1967

OFFICIAL COPY
O. E. E.
RECEIVED
1967
MINERALS COPY

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

From: Field Officer
Region II

Subject: New Application (Silver)
Silver Chain Mining Company
Silver Chain Group of Claims
Esmeralda County, Nevada

Enclosed is a new application for financial assistance from the Silver Chain Mining Co., Box 510, Goldfield, Nevada, received in the Field Office on August 24, 1967.

Copies of letters to the two banks are lacking, as are consent to lien and subordination agreements from the owners. The estimated cost of about $36,000 to sink 50 feet of 5'x6' inclined shaft, and to drive 300 feet of drift, is high, and the applicant's ability to furnish its share of the costs is questionable. Numerous cost items would not be allowable under an OME contract, such as a General Manager, ore bin, purchase of compressor, jack hammer, fan, receiving tanks, slusher, water tank, column bars, tool room and repair shop, house trailer, etc. A trammer, in addition to two miners, would not be necessary on such a small job that is so close to the surface. Estimates of assay costs are high.

There has been no production from the property and the grade and thickness of the vein appear to diminish rapidly with depth. Justification for a project of the size contemplated is doubtful.

H. K. Stager

Enclosure

MME Form 40
Jan. 65

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

Silver Chain Mining Company
Box 510
Goldfield, Nevada 89013

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6649

DATE RECEIVED: AUG 28 1967

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	
PARTNERSHIP	X
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
G. W. Rainwater	Goldfield, Nev.	Manager & Act. Partner
Charles Kudak	Los Angeles, Calif.	
Vern Segers	Goldfield, Nev.	
Gary Rainwater	Sepulveda, Calif.	
Kenneth Hale	Southfield, Michigan	
Ray Pinnow	Burbank, Calif.	
Howard Pokorney	Racine, Wisconsin	
Wendell Kurian	Hollywood, Calif.	
Margaret, Robert, Kathleen Kraemer	No. Hollywood, Calif.	

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

ESTIMATED COST OF PROJECT: $ 35,957.92

PROPERTY NAME	LOCATION COUNTY	STATE
Silver Chain Claims	Esmeralda County	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.

8-23-67
DATED

G W Rainwater
BY *(Signature)*

Manager and Active 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:

(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 operations *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).]

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

Application--------Silver Chain Mining Company
Goldfield, Nevada

1. FINANCIAL ELIGIBILITY:

   a. Letters attached.

   b. None.

   c. Tools, equipment and supervision. (See attached inventory) no cash

2. APPLICANTS RIGHTS IN LAND: L+S agreements

   a. We are the purchaser under contract. The purchase agreement is attached.

   b. This land is unsurveyed. It is located in the Gold Mountain Mining District of Esmeralda County, Nevada. Approximately 117°20' West and 37°20' North. Between R41E and R42E T7S of the Geological Survey Map "Goldfield" NJ11-8.

      The Claims are not patented. The Claims are recorded on Pages 472-73 Book 1-T and Pages 12-13 Book 1-U at the Esmeralda County CourtHouse in Goldfield, Nevada.

      The Silver Chain Claim #3 was formerly known as the Valentine Claim.

   c. To follow. L&S

3. PHYSICAL DESCRIPTION:

   a. A shaft has been sunk about 60 feet. A 33' head frame has been built, the hoist house is built and the hoist installed with a 1000 lb. ore bucket. A 165 CFM air compressor and air lines installed, 250 gal. water tank and water lines installed.

      There were no existing mine workings.

   b. We have sunk the shaft, built all the structures and installed the equipment.

   c. This is a new mine. There has been no production.

   d. A vein was followed in sinking the shaft. The assays and spectographic reports are attached, also a description of the shaft. The vein has been exposed for a distance of over 300 feet to the north of the shaft.

3. Continued---

e. Geologists report attached.

f. We expect to find ore because of the results of the vein we have followed, the structure of the fault, the assays and geologists reports.

g. Copies attached under 3e.

4. ACCESSIBILITY OF PROPERTY:

a. An OME representative should contact G. W. Rainwater, living in Goldfield, Nevada. (Residence--The Kelly house--2 blocks south of Standard Oil Station)

b. The property is located about 7 miles by road south of Gold Point.

The mine is readily accessible. A graded road leads directly to the shaft.

b. There is a Railhead at Mina, Nevada which is 95 miles. There is a State Highway at Gold Point which is 7 miles. Supplies may be obtained at Tonopah, Nevada a distance of 63 miles or at Bishop, California, 100 miles.

5. EXPLORATION WORK:

a. We propose to continue sinking the present 5' x 6' shaft an additional 50 feet. We also propose a drift 6' x 7' north 300 feet at the 100 foot level of the shaft to a junction of the fault.
Plans are attached.

b. No road is needed.

c. Work would begin immediately upon execution of contract. The estimated finish time is 3½ to 4 months.

Anticipated daily progress for the shaft is estimated an average of 3 feet, including timbering and installing equipment. Estimated monthly average is 50 feet.

Anticipated daily progress for the drift is estimateds at 6 feet. The monthly progress estimated at 120 feet.

6. EXPERIENCE:

G. W. Rainwater, our General Manager has had 15 years experience in the business world and wide experience in mechanics, engines, etc. From 1936 to 1941 he was a line mechanic in a garage. 1941 to 1946 Assistant Service Manager. 1946 to 1953 he was Body Shop Manager and Service and Parts Manager. From 1953 to 1967 he owned and operated his own insurance business.
Jack Cantwell, who will supervise the mining, has mined, leased and operated underground and also placer mined in Arizona, California and Nevada for 20 years.

7. ESTIMATE OF COSTS:

a. We do not anticipate having independent contractors.

b. Personal Services:

These estimates are for the estimated 3½ to 4 months. The services are available.

	Cost/Month	Cost/Day	Cost/Foot Shaft	Cost/Foot Drift
General Manager	$750.00		$15.00	$7.50
Mining Supervisor	750.00		15.00	7.50
2 Miners	968.00	44.00	21.12	10.56
1 Hoist Man	484.00	22.00	10.56	5.28
1 Trammer	396.00	18.00	8.64	4.32
	3348.00		70.32	35.16

Payroll Total $11,718.00

Geologist $750.00

7. Continued--------Operating materials and supplies.

c. Fuel: 100 Gal.----- 50 gal. Diesel @ 26¢ 50 gal. Gas @ 39.9¢	$32.95/day	$2,636.00
Oil--Rock Drill	½ gal./day	45.00
Compressor Oil-- 50 gal.		70.00
Engine Oil-- 50 gal.		70.00
Timber Wedges-- $5.00/100		50.00
Powder--24 Boxes @ $17.00/box		408.00
Fuse-- 5 rolls 1000' fuse @ $25.00/roll		125.00
Primers-- 10 boxes @$5.50/box		55.00
Drill steel & bits		156.00
Shovels-- 6 @ $5.00		30.00
Picks-- 6 @ $5.00		30.00
Nails-- #20 Common 100 lb.		22.00
		$3,697.00

7. Continued---

d. Operating Equipment to be purchased. Applicants inventory is attached.

300 CFM Air Compressor----used----	$3750.00
Ore Bin---	1000.00
Jack hammer and Leg---	1250.00
Air ventilation fan---	300.00
Ventilation pipe---	500.00
Rails: 600' 12 lb. rail; 1 Keg spikes Fish plates and Bolts----	800.00
Jim Crow---	65.00
Receiving Tanks---	400.00
Air line: 2" Pipe 400' and Fittings	250.00
Water line: ¾" Pipe 400' and Fittings	76.00
Slusher, double drum Slusher Bucket----------used-----	550.00
2 Column Bars---	200.00
1400 Gal. water tank-------used-----	450.00
Timbers: 20,000 board feet @ $180.00/1000 ---	3600.00
Iron for skip chute----	200.00
	$13,391.00

7. Continued------

e. Initial Rehabilitation and repairs.

Existing structures need no repairs.

f. New buildings, fixtures, installations

Tool room and repair shop.		
Concrete slab and frame.		
15' x 20' @ $7.00/ft.--------	$2100.00	
Change room and office.		
18' House Trailer---------used------	850.00	2950.00

g. Miscellaneous--

Repairs and maintenance----	670.00	
Analytical Work----		
Assays and Spectographs $6 to $12/each	750.00	
Bookkeeper---- $75.00/mo.	262.50	1682.50
Total Payroll--$11,718.00		
Workmans Comp. $7.70/100	902.29	
Industrial Accident 3%	351.54	
FICA 4.4%	515.59	1769.42

Application--Silver Chain Mining Company
Goldfield, Nevada

Inventory of Silver Chain Mining Company

1 Power Generator 10KW	$400.00
1 33' head frame and ore chute	850.00
1 2 Ton Ford truck, leased	5800.00
1 Ingersoll hammer and leg	550.00
1 165 CFM Compressor	1000.00
2 Mine cars & 100' of track	300.00
1 Ore Bucket	150.00
1 Hoist and cable installed in hoist house	600.00
Hoist house	500.00
1 D4 Bulldozer	1200.00
1 1957 Ford 2-D	300.00
1 ½ horse gas engine and blower	50.00
60' 5 " air pipe	30.00
2 Electric Drills	50.00
1 6½ Porter Cable skill saw	165.00
Carbide	21.00
1 Electric Welder (portable) & 100' cable	75.00
250 gal. water tank	25.00
Assay oven, equipment and supplies	750.00
Water & fuel drums	26.50
100' air hose	100.00
70' 1¼" pipe	18.00
60' ¾" pipe	12.00
1 Jack tank	25.00
1 105 CFM Air Compressor	500.00
Air hose couplings	84.00
Pipe fittings & valves	75.00
Lumber & miscellaneous hardware	450.00
Miscellaneous tools, lights, supplies, etc.	850.00
	14,956.50

Cable Address: BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

STUDIO CITY BRANCH • 12175 VENTURA BOULEVARD • STUDIO CITY, CALIFORNIA

June 12, 1967

Mr. G. W. Rainwater
Silver Chain Mining Company
Box 510
Goldfield, Nevada

Dear Mr. Rainwater:

This refers to my discussion earlier today with Mrs. Rainwater.

Our bank would not be interested in making a loan to you for exploration purposes.

Sincerely yours,

J. F. QUINN
Assistant Cashier

JFQ
213 763-4301 Ext 23

SECURITY FIRST NATIONAL BANK

SAVINGS COMMERCIAL TRUST

FULTON & RIVERSIDE BRANCH
13352 RIVERSIDE DRIVE
SHERMAN OAKS, CALIFORNIA

MAILING ADDRESS:
POST OFFICE BOX 5590
SHERMAN OAKS, CALIFORNIA

June 15, 1967

Mrs. G. W. Rainwater
Silver Chain Mining Co.
Box 510
Goldfield, Nevada

Dear Mrs. Rainwater:

In reply to your request of June 14, 1967 for a loan of $60,000. for the purpose of further exploration of your Silver Chain Mine in Nevada, we regret to inform that we would not be able to fill your financial needs in this area.

Our bank would not be interested in this type of loan due to it's speculative nature.

Yours very truly,

C E Brooks

CEB:lc

Charles E. Brooks
Assistant Manager

SILVER CHAIN MINING CLAIMS
ESMERALDA COUNTY, NEV. by John Woodall

The Silver Chain Mining Claims, located approx 4.5 miles south of Goldpoint, Nevada, Esmeralda County, in the Gold Mountain Mining District, in the area of Slate Ridge and 3 miles North of Gold Mountain. The property consists of 10 adjoining claims, each 600' by 1500'.

The country rock in this area, Slate Ridge, is limestone which has been intruded by numerous pegmatite dikes, also to the South, Gold Mountain, contains pegmatite dikes. A major quartz vein running NNE, SSW, 3600' across the property, traceable most of the way, seems to be an intrusive, massive quartz. The exposed ore vein occuring on an average of 20' to the West of this quartz vein.

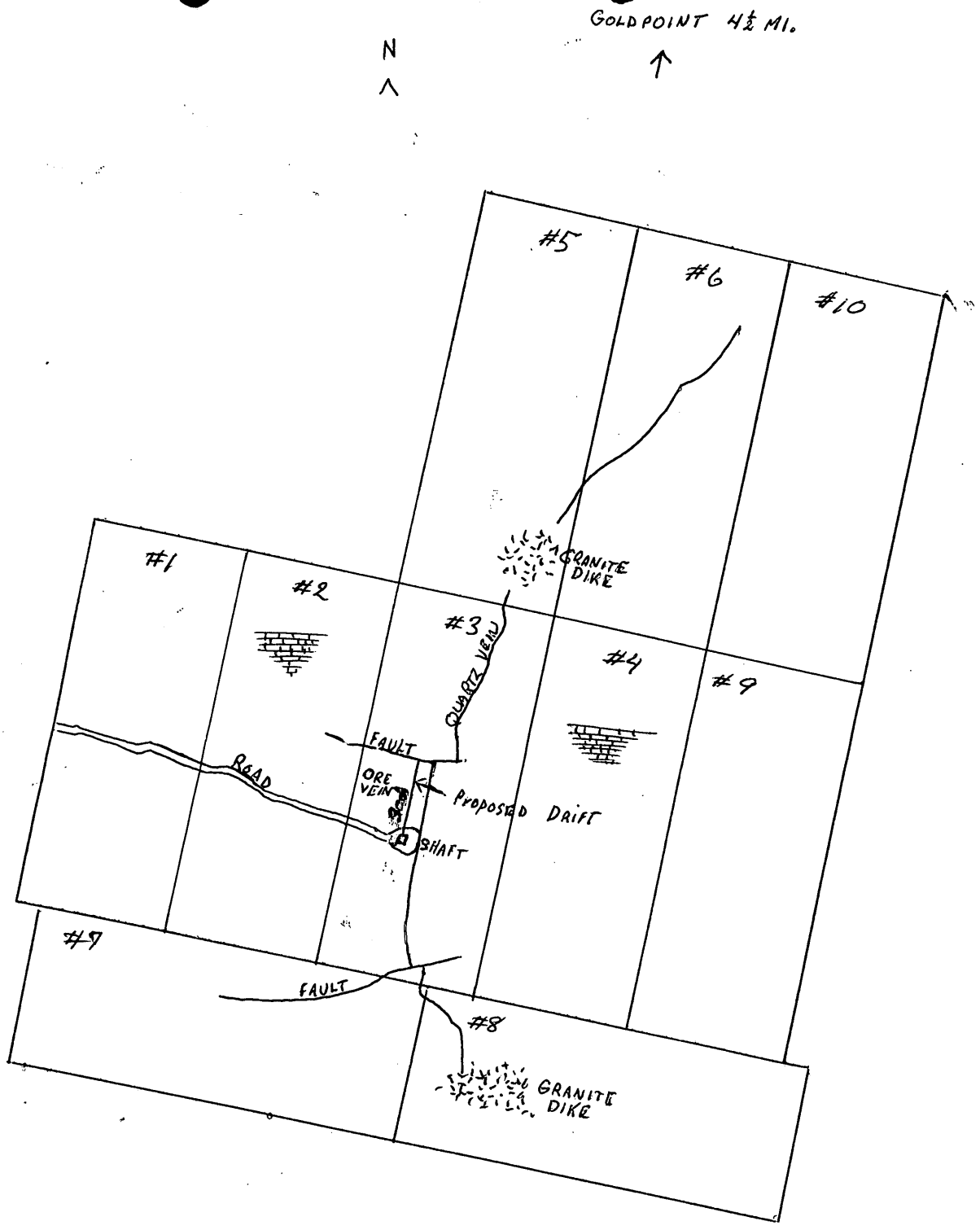
The strike of the ore vein is NNE, SSW and is traceable for 300' NNE of the shaft where a fault intersects and it is not exposed North of this. As the ground to the South is lower and more level it is covered South of the shaft. The vein dips 65 to 70 degrees to the East in the direction of the quartz vein. Several test pits 2' or 3' deep along the strike of the vein North of the shaft show the mineralized zone to be 5' to 6' wide, the hi-grade vein averages about 18" in width with a good showing of Bromides and Cerargyrite.

A shaft (fig. 2) has been sunk to depth of 60' on the dip of the vein, on claim No. 3. The footwall of shaft is shale and hanging wall is limestone. The vein, main, averaging about 18" in width down to 40' level ran good values in Silver, as high as $297.00 per ton. Between the 18' and 31' level it ran from $187.00 to $297.00 per ton. At about 40' vein pinches down to almost nothing then at this level on down schist (banded struture) rock is main constituent with low values in silver, say 6 or 7 dollars per ton. At the 50' level a drift was run 8' North along strike of vein in clay goure, which ran $12.80 in Silver per ton. The bottom of shaft at 60' level is 6' by 9' with abundant quartz stringers up to ½" wide with some calcite, is highly mineralized. The hanging wall seems to be flattening out and the foot wall becoming more perpendicular.

At the surface there is complete headframe and hoist works, which is operable and being used at this time as Rainwater is sinking on shaft. This appears to be a good Silver prospect but additional money is needed to carry on the prospecting.

Two figures included with this report, Fig.1- location of claims, shaft and veins. Fig. 2- view of shaft looking NNE showing position of ore vein, approx and type of rock.

FIG. 1



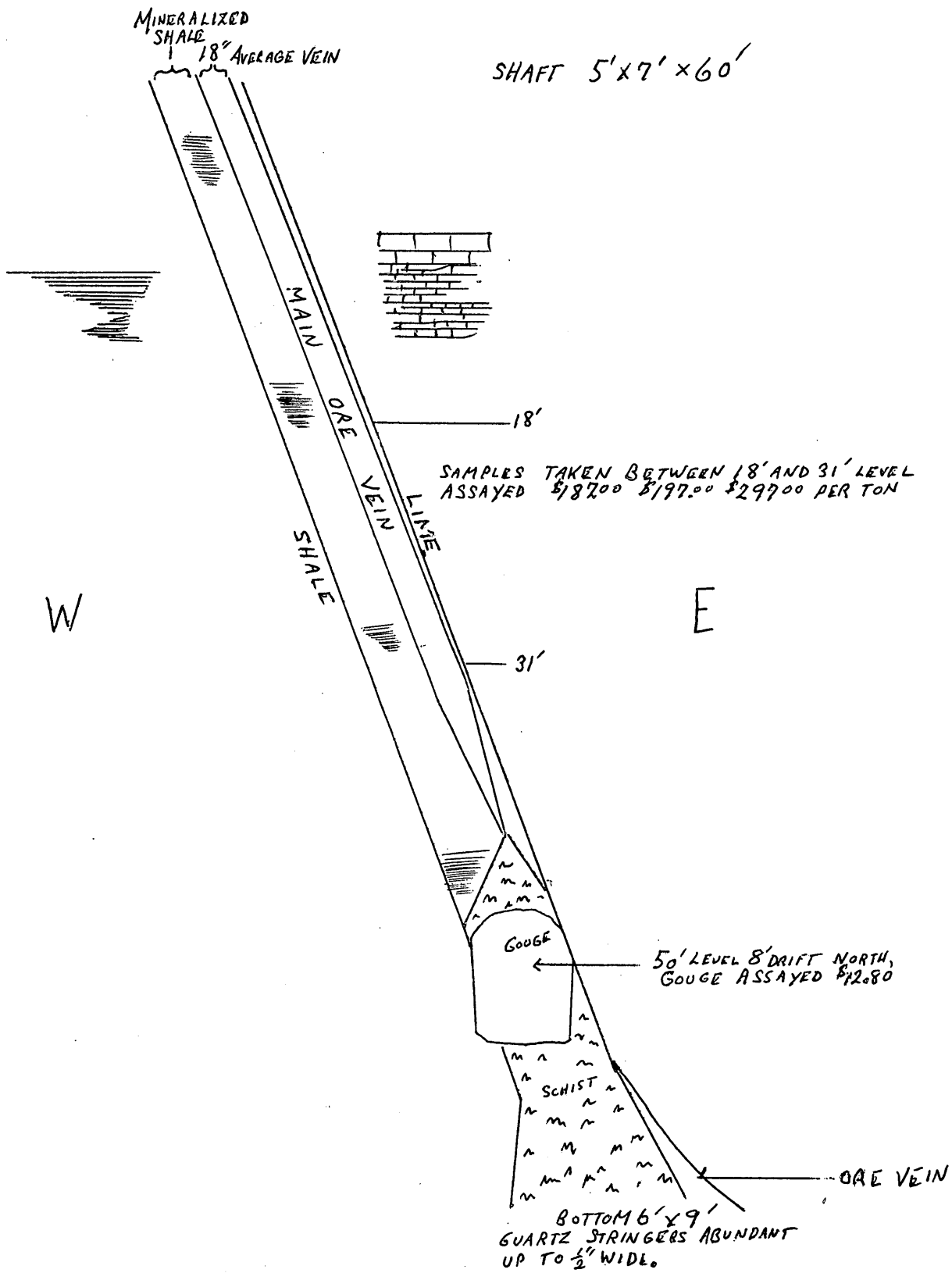
SILVER CHAIN MINING CLAIMS
GOLD MOUNTAIN MINING DIST.
ESMERALDA COUNTY NEV.

UNSURVEYED - BETWEEN R41E AND R42E, T7S

7/15/67

J. W.

FIG. II



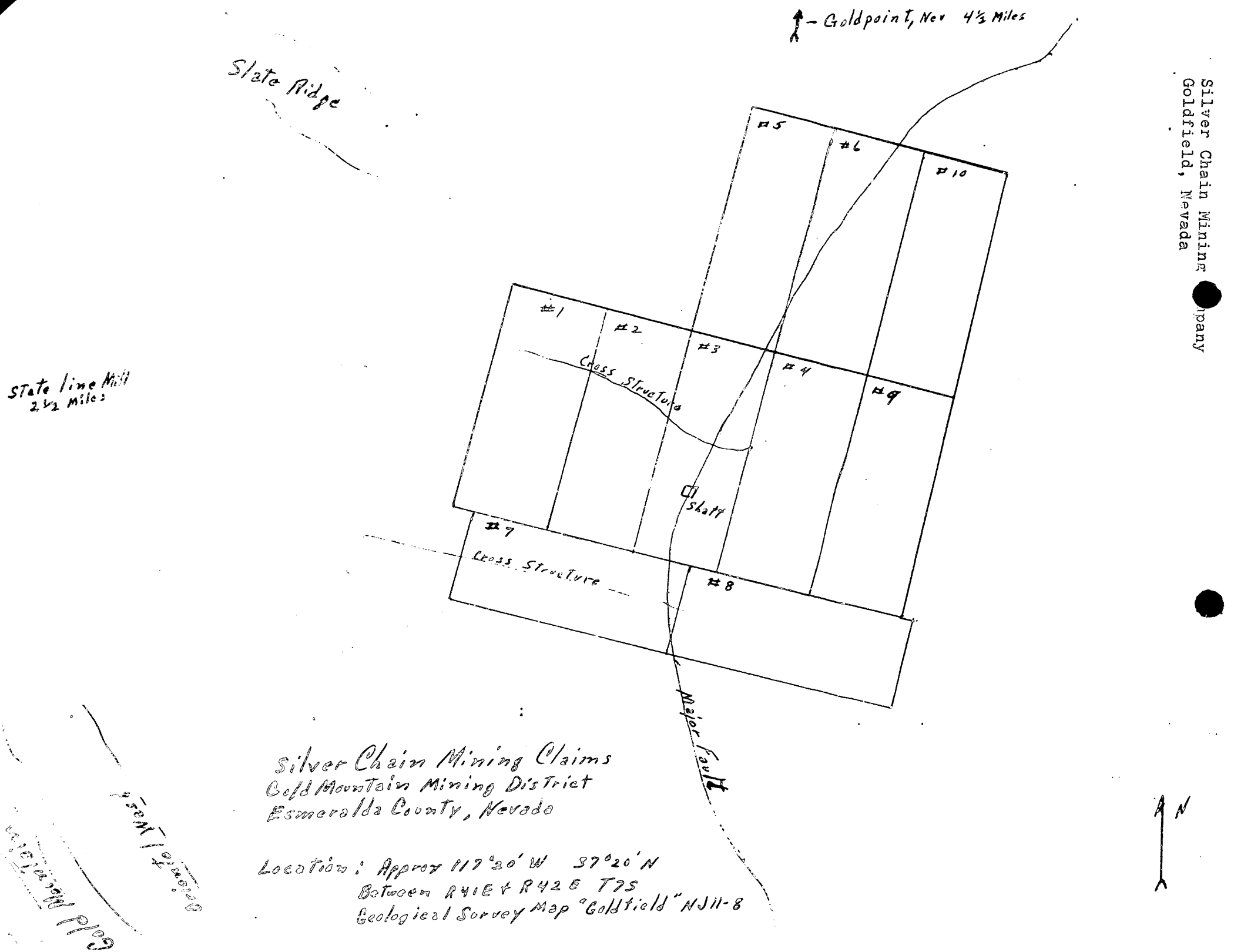
SILVER CHAIN SHAFT

7/15/67

J.W.

OFFICIAL
COPY
O. M. F.
RECEIVED
AUG 28 1957
INITIALS CODE

Silver Chain Mining Company
Goldfield, Nevada



Silver Chain Mining Claims
Gold Mountain Mining District
Esmeralda County, Nevada

Location: Approx 117°20' W 37°20' N
Between R41E & R42E T7S
Geological Survey Map "Goldfield" NJ11-8

OFFICIAL
COPY
O. M. E.
RECEIVED
AG 28 1967
INITIALS | CODE

ROBERT E. CRAIG & CO.

MINING GEOLOGISTS
11844 ART STREET
SUN VALLEY, CALIFORNIA
899-0613 767-2681

Silver Chain Mining Company
Goldfield, Nevada

Analysis No. 7030

December 7, 1966

Sample submittedbby;
Harrison Boucher
Van Nuys, California.

Surface Outcrop

Sample No. Silver Chain #1

Au - Gold .403 oz. per ton @$35.00 = $14.10 per ton

Ag - Silver 51.71 oz. per ton @$1.29 = $66.70 per ton

Analysis and report; by

Robert E. Craig

Robert E. Craig

Silver Chain Mining Co.
Goldfield, Nevada

THE EISENHAUER LABORATORIES
316-322 South San Pedro Street
Los Angeles, California 90013

ED. EISENHAUER JR.
C. EISENHAUER RAYMOND
LAWRENCE EARL RAYMOND

ASSAY CERTIFICATE

PHONE 622-9828

Los Angeles, Calif. Nov. 16/66 19

I hereby Certify that the samples described below, received from

G. W. Rainwater

assay as follows:

Owner's Mark and Sample	GOLD		SILVER		TOTAL VALUE PER TON	PERCENTAGE OF		
	OZS. PER TON	VALUE PER TON	OZS. PER TON	VALUE PER TON		COPPER	LEAD	ZINC
#1-small	.05	$ 1.75	4.88	$ 6.30	$ 8.05			
#2-	.04	$ 1.40	1.28	$ 1.66	$ 3.06		t ce	

10' Level Test Hole

GOLD @ $ ~~35~~ PER OZ.
SILVER @ $ ~~1.29~~ PER OZ.
LEAD @ _____ C.
COPPER @ _____ C.

CHARGES _____

Ed. Eisenhauer Jr.
ASSAYER

Established 1916

Silver Chain Mining Company
Goldfield, Nevada

THE EISENHAUER LABORATORIES
316-322 South San Pedro Street
Los Angeles, California 90013

ED. EISENHAUER JR.
C. EISENHAUER RAYMOND
LAWRENCE EARL RAYMOND

PHONE 622-9828

ASSAY CERTIFICATE

Los Angeles, Calif. Jan. 9/67 19

I hereby Certify that the samples described below, received from Bruce Motors assay as follows:

Owner's Mark and Sample	GOLD OZS. PER TON	GOLD VALUE PER TON	SILVER OZS. PER TON	SILVER VALUE PER TON	TOTAL VALUE PER TON	PERCENTAGE OF COPPER	PERCENTAGE OF LEAD	PERCENTAGE OF ZINC
#1 - Rocks			238.48	$ 297.64	$ 297.64			
#2 - DUST			110.36	$ 142.36	$ 142.36			

18' Level

L. E. Raymond
ASSAYER

GOLD @ $ ____ PER OZ.
SILVER @ $ 1.29 PER OZ.
LEAD @ ____ C.
COPPER @ ____ C.

CHARGES $ 6.00

Established 1916

Mariposa Spectrographic Laboratory

Mariposa, California 95338

WOodland 6-2891

Miss Margaret Kraemer
5151 Buffalo #2
Sherman Oaks, Calif.

Silver Chain Mining Company
Goldfield, Nevada

1/3/66 PM

Fire assay report: Gold-Silver. No mark. Prepaid $7.50(includes spectrographic analysis)

Gold		Silver	
Amount ounces per ton 2000 lbs	Value @ $35.00	Amount ounces per ton 2000 lbs	Value @ $1.285
0.025	$0.875	16.18	$20.8113

Note: Due to an exceedingly heavy work load in our spectrographic department, we will be late with the analysis of this sample Miss Kraemer. Naturally, we are sorry for this delay and inconvenience to you and will promptly mail the report upon completion.

Thank you kindly

mmh;grg/msl

lcc

LABORATORY REPORT

Mariposa Spectrographic Laboratory

Star Route, Mariposa, California 95338
Telephone WOodland 6-2591

CHARGES: $7.50(includes Au-Ag assay)

LAB NO. 9526

Date 1/18/67 PM

SUBMITTED BY:

Qualitative Spectrographic Analysis

Silver Chain Mining Company, Goldfield, Nevada

Miss Margaret Kraemer
5151 Buffalo # 2
Sherman Oaks, Calif.

ELEMENTS FOUND
AND ESTIMATED PERCENTAGE RANGE
OF CONCENTRATION

SAMPLE MARK

No mark

ELEMENT	Not Less Than %	Not More Than %	ELEMENT	Not Less Than %	Not More Than %	ELEMENT	Not Less Than %	Not More Than %
Aluminum	0.20	0.60	Lithium			Thallium		
Antimony	0.03	0.10	Magnesium	.002	.008	Thorium		
Arsenic	0.05	0.15	Manganese	.005	0.03	Tin		
Barium	.0007	.003	Mercury			Titanium	.001	.006
Beryllium			Molybdenum	.003	0.01	Tungsten	0.02	0.08
Bismuth	0.04	0.12	Nickel	.003	0.01	Uranium		
Boron			Osmium			Vanadium	.0008	.004
Calcium	0.10	0.30	Palladium			Zinc	0.05	0.15
Cadmium			Phosphorus			Zirconium		
Cesium			Platinum Not detected in sample			RARE EARTHS:		
Chromium	.005	0.03	Potassium	0.05	0.15	Cerium		
Cobalt	0.02	0.08	Rhenium			Dysprosium		
Columbium			Rhodium			Erbium		
Copper	2.0	7.0	Rubidium			Europium		
Gallium			Ruthenium			Gadolinium		
Germanium	Trace	----	Scandium			Holmium		
Gold Not detected in sample			Silicon (as Si02)	55.0	75.0	Lanthanum		
Hafnium			Silver	0.02	0.07	Neodymium		
Indium			Sodium			Praseodymium		
Iridium			Strontium	.0008	.004	Samarium		
Iron	5.0	15.0	Tantalum			Ytterbium		
Lead	0.10	0.30	Tellurium			Yttrium		

Remarks: See letter.

Respectfully Submitted

George R. Graves (Spectrographer)

MARIPOSA SPECTROGRAPHIC LABORATORY

percent to ton (2,000 lbs.)
1.0% = 20.0 Lbs. AVOIR.
0.10% = 2.0 Lbs. AVOIR.
0.01% = 3.2 oz. AVOIR.
0.001% = 0.32 oz. AVOIR.
0.0001% = 0.032 oz. AVOIR.

Mariposa Spectrographic Laboratory

Mariposa, California 95338

WOodland 6-2591

Miss Margaret Kraemer
5151 Buffalo #2
Sherman Oaks, Calif.

Silver Chain Mining Co.
Goldfield, Nevada

1/18/67 PM

Dear Miss Kraemer:

Enclosed, find spectrographic analysis report #9526, covering the analysis of your submitted ore sample.

For the most part, this sample is composed of Silicon-dioxide Miss Kraemer. Accessory minerals appear to be both primary and secondary Copper in the forms of Bornite and possibly Chalcocite, with the secondary mineral as a small amount of Malachite.

The mineralization in Silver is no doubt due to it's association with the Copper minerals as well as some in combination with what appears to be a small amount of Tetrahedrite.

A small amount of Tungsten has also been noted. However, we are not certain of the mineral. It may be due to a small amount of Powellite however.

All things considered, this is an excellent and valuable ore of Copper and Silver, with perhaps some recovery possible in Bismuth, Gold and Antimony.

Our most sincere thanks to you Miss Kraemer and our good wishes in your mining.

Sincerely,

George R. Graves

George R. Graves

lcc

FORM 289 30M 11-63

INTERNATIONAL SMELTING AND REFINING COMPANY

TOOELE PLANT

ASSAY CERTIFICATE

DATE SAMPLED 4-4 19 67

NAME U.S. Silver Chain 312

CLASS [illegible] SMELTER LOT [illegible] MINE LOT 1

DATE 4-6 19 67

PER CENT COPPER	PER CENT LEAD	PER TON OF 2000 POUNDS OZS. SILVER	OZS. GOLD	PER CENT INSOL.	PER CENT FE	PER CENT S	PER CENT CAO	PER CENT ZN	PER CENT AS	PER CENT SB	PER CENT BI	PER CENT CD	PER CENT
[illegible]	2.4	8.58	.02	77.8	7.0	.20	3.6	22	.05	.16	.011		

assay of stockpile

Donald D. Kreston

CHIEF CHEMIST

Silver Chain Mining Co., Goldfield, Nevada

Silver Chain Mining Col Goldfield, Nevada

AGREEMENT OR CONTRACT

THIS AGREEMENT is made this Eighth day of December 19 56

BETWEEN Andrew H. Boucher (AKA Harry Boucher) and Norman Bailey

, hereinafter called First Part

AND

Silver Chain Mining Company, a limited partnership.

, hereinafter called Second Part

The respective situations of the parties hereto are as follows:

Party of the first part agrees to sell to party of second part eight (8) mining claims recorded as Silver Chain #1 through #8 located near Goldpoint, Esmeralda County, Goldpoint Mining District, Nevada. Purchase price to be Two Hundred Thousand Dollars ($200,000.00). Total price payable at Three Thousand Dollars ($3,000.00) down payment and 10% of the gross smelter returns or a minimum payment of Three Hundred ($300.00) Dollars per month payable on the tenth day of each month beginning thirty days after signing of agreement.

WHEREFORE, said parties, by reason of the aforesaid situations and by their mutual agreement hereinafter contained, do hereby stipulate and agree as follows:

Buyers agree that should they default in any monthly payment they will surrender possession of the property sixty days from date of default, and to forfeit any claim or right for work done on said property.

Buyers further agree to hold harmless seller for any debts or liability claims arising out of operation of the claims.

Buyers agree to grant permission to sellers to enter the property at any reasonable times for the purpose of obtaining samples for assaying.

Sellers agree to deliver said property consisting of eight (8) lode claims properly filed and recorded in County Court House, Goldfield, Nevada and free of any prior claims of ownership. Sellers further agree to hold buyers harmless for any suits or claims regarding ownership.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals in Triplicate the day and year first above written.
(Insert "duplicate," "triplicate," etc.)

Andrew H. Boucher

Norman Bailey

Marion A. Miller

AME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/13	Peterson	120
10/16/67	Shoemaker	120
"	Johnson	110
6/17	Jones	
10/17	Clapp	
		220
		120M

AIRMAIL

OCT 18 1967

Silver Chain Mining Company
Box 510
Goldfield, Nevada 89013

Re: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

Gentlemen:

Careful study of your application for financial assistance to explore the subject property and of other information available to us indicates that the probability of disclosing significant ore reserves on the property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for assistance is denied.

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
Region II
130

ECPeterson/bsl 10/13/67

23263

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/13	Peterson	120
10/16/67	Kirkham	120
11	Johnson	110
		220
		120M

Memorandum

To: The File

OCT 18 1967

From: E. C. Peterson

Subject: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

Justification for Denial of Application

The Silver Chain claims contain a small silver-bearing deposit localized along a fault contact between limestone and shale. The deposit has a short strike length, is only a few feet in thickness, and, except for near-surface concentrations of secondary silver minerals, is too low grade to be minable. The OME field examiner found no geologic evidence to indicate larger or higher grade ore bodies below the near-surface exposures. Assay results of samples taken by the examiner ranged from trace amounts of silver to 5.90 ounces per ton.

I concur with the field examiner and recommend that the application for assistance be denied.

E. C. Peterson

E. C. Peterson

cc: Director's Reading File
Division File
Econmic Geology File
OME File
OME Reading File
Mr. Peterson
[redacted]

ECPeterson/bsl 10/13/67

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

October 11, 1967

Memorandum

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 13 1967

INITIALS	CODE
	120
	120
	~~110~~
	~~120~~

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

From: Field Officer
Region II

Subject: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

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

H. K. Stager

H. K. Stager

Enclosure

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

By

H. K. Stager
Field Officer
OME, Region II

October 11, 1967

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ILLUSTRATIONS

Figure 1. Index map of Esmeralda County, Nevada.

On-site Report

INTRODUCTION

The Silver Chain Mining Company, Box 510, Goldfield, Nevada 89013, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6649, to explore for silver on the Silver Chain Group of Claims, Gold Mountain mining district, Esmeralda County, Nevada. The applicant infers the presence of minable silver ore bodies along a fault zone between limestone and shale and wishes to explore the deposit by deepening a shaft and drifting along the fault.

A field examination was requested by the Office of Minerals Exploration and was made by H. K. Stager, Field Officer, on September 21, 1967, accompanied by Mr. G. W. Rainwater, manager and active partner of Silver Chain Mining Company. The applicant's maps, cross section, and assay data were examined and compared with surface and underground exposures in the mine area. Five samples were taken of the ore exposed in the underground workings and ore stockpiles. The results of the assays of these samples are given in the following report.

SUMMARY

The Silver Chain claims contain a small silver-bearing deposit localized along a fault contact between limestone and shale. The deposit has a short strike length, is only a few feet in thickness, and, except for near-surface concentrations of secondary silver minerals, is too low in grade to be minable. No geologic evidence has been found to indicate larger or higher grade ore bodies below the near-surface exposures or elsewhere on the claims.

The applicant proposed to explore the deposit at a depth of about 100 feet, by deepening a shallow shaft and by drifting on the 100 level. The low grade of the material below the 25 level, the short strike length, and the small tonnage that can be estimated do not warrant Government participation in an exploration project for silver on the property.

RECOMMENDATIONS

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

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Silver Chain claims are in an unsurveyed area, about R. 41 or 42 E., T. 7 S., MDBM, Gold Mountain mining district, Esmeralda County, Nevada (Fig. 1), on the north side of Gold Mountain, at an altitude of about 6,500 feet.

To reach the property, that is about 30 miles south of Goldfield (the closest town), drive 15 miles south on U.S. Highway 95 to Lida Junction, turn right (southwest) on Nevada Highway 3 and drive 7 miles, then turn left on Nevada Highway 71 and drive 7 miles to Gold Point (a near-abandoned mining town), then proceed southeast on a well-traveled dirt mine road 6 miles to the property. The road to the mine is rough but passable to ordinary two-wheel-drive vehicles except during heavy snow or rainstorms. The drive from Goldfield usually requires about 1 hour.

Mail and telephone services are available in Goldfield. Labor, mining equipment, materials, supplies, trucking services, and timber are available in Tonopah, Nevada (63 miles), or in Bishop, California (100 miles). There is a railroad siding in Bishop or at Mina, Nevada (95 miles). Water is available in Gold Point or from small springs in the vicinity. Assay service is available in Los Angeles or Salt Lake City at $3-$5 per sample for silver and gold. The local wage scale for miners is about $3.00 per hour. Ore trucking rates from the mine to the smelter at Selby, California, are $15 per ton, and to Hayden, Arizona, $16-$17 per ton.

PROPERTY

History and Production

The property was discovered about 1965, and the original name was the Valentine claim. During 1966 the owners drilled several shallow wagon-drill holes in the deposit and found silver-bearing material. The property was sold to the applicant in December 1966. The inclined shaft was started in January 1967. There has been no production from the property, and there are no nearby mines that have yielded silver ore. About 80 tons of silver-bearing material has been mined by the applicant and is stockpiled at the property.

Ownership

The property consists of 10 unpatented mining claims, known as the Silver Chain No. 1 through No. 10, owned by Andrew H. Boucher and Norman Bailey. The applicant is the purchaser of these claims under contract, a copy of which was attached to the application. The claims are recorded at Goldfield, Nevada, as follows:

Claim Name	Book	Page
Silver Chain Nos. 1-8	1-T	472-473
Silver Chain Nos. 9-10	1-U	12-13

Payments on the contract ($300 per month) were current to September 1967, at the time of the examination. One of the owners (Mr. Boucher) has consented to sign a Lien and Subordination Agreement but the other (Mr. Bailey) refuses to sign until he is paid the sum of $800 that he claims he is owed by the applicant for work done by him on the shaft and headframe. The applicant does not wish to pay the $800, as the work was not considered satisfactory, but stated that if an OME contract was approved the sum would be paid in order to obtain Mr. Bailey's signature on a Lien and Subordination Agreement.

Financial Eligibility

The applicant furnished copies of letters to two banks requesting loans for the proposed work and also copies of letters denying the loans. The applicant proposed to furnish its share of the exploration costs by furnishing labor, use of equipment, and the balance in available funds.

Development

The property is developed by several shallow pits and trenches along the outcrop of the vein and by an inclined shaft, 60 feet in depth, with about 35 feet of drifting at the 25 level. Surface facilities consist of a small hoist house that houses the gasoline-driven hoist, a 165-CFM compressor, a 10-KW generator, and miscellaneous small tools and equipment.

GEOLOGY

Geologic Setting

The Silver Chain claims are in an area of low relief and, except for a shallow cover of slope wash and alluvium, the exposures are good.

The oldest rocks exposed in the vicinity of the mine are chiefly siltstone interbedded with thin limestones and shales of the Wyman Formation of Precambrian age that strike about east-west and dip moderately south. These sedimentary rocks are intruded by granitic rocks of Tertiary age and numerous dikes and veins of pegmatite and quartz. A prominent vein, of barren white quartz, that strikes N. 10° W. and dips about 70° E., is exposed on the Silver Chain No. 3 claim. It is offset by two steeply dipping normal faults that strike east-west about 300 feet north and south of the shaft. About 20 feet west of this quartz vein is a parallel mineralized fault zone that is about 5 to 6 feet in thickness where exposed by shallow surface pits. It is within this fault zone that the silver-bearing ore is localized.

Ore Deposits

The silver-bearing material exposed on the property is localized along a fault zone that strikes about N. 10° W. and dips 70° E. The mineralized part of the fault is exposed for a strike length of about 300 feet north of the shaft and probably continues under a shallow cover of alluvium for an equal distance to the south. The mineralized zone at the surface is about 5 feet in thickness with the major part of the silver values concentrated in a vein about 18 inches in thickness.

Ore minerals are cerargyrite and possibly some embolite or bromyrite. Some galena, probably argentiferous, was observed on the 25 level and at the bottom of the shaft. Gangue minerals are quartz, calcite, iron oxides, and locally epidote. Alteration of the limestone hanging wall and shale footwall is slight and indicates that the volume of mineralizing solutions was small.

A short drift and small stope on the 25 level has yielded about 80 to 90 tons of mineralized material that is stockpiled on the surface. No ore has been shipped or milled.

Minable ore consists of near-surface concentrations of secondary silver minerals. The silver content of the deposit diminishes rapidly with depth and minable ore probably does not extend below the 25 level.

Sampling

Five samples were taken during the examination. Assays and descriptions of these samples are as follows:

Sample Number	Ounces per ton Silver	Gold	Description
SC-1	Tr	0.01	Chip sample across 4 feet of vein material in face of 25-foot level drift, about 35 feet from shaft
SC-2	3.40	0.03	Chip sample across 2 feet of vein at edge of small stope 15 feet from face of 25-foot level drift
SC-3	Tr	Tr	Chip sample across 4 feet of mineralized material at bottom of 60-foot shaft
SC-4	5.90	0.09	Grab sample of 20-ton stockpile
SC-5	Tr	0.01	Grab sample of 60-ton stockpile

Ore Reserves

Indicated and measured ore reserves, contained in the several small stockpiles and exposed in surface trenches and the 25 level drift, total about 1,200 tons of ore estimated to average about 10 ounces of silver and 0.1 ounce of gold per ton. These reserves are in the vein that is estimated to average about 2 feet in thickness and 600 feet in length above the 25 level. No reserves of minable grade material are inferred below the 25 level.

EXPLORATION

Applicant's Proposal

The applicant proposed to explore the deposit by deepening the shaft 50 feet and driving 300 feet of drift on the 100 level. During the examination it was pointed out to the applicant that the silver-bearing vein had pinched out between the 25 level and the bottom of the shaft, at 60 feet, and that the silver content had diminished to only traces of gold and silver. The question of the existence of a silver-bearing vein at the proposed 100 level was raised and it was suggested that a small drilling project, consisting of 2 or 3 drill holes to intersect the structure at the 100 level, should precede the applicant's proposed work. The applicant was not in favor of a drilling project because of the probable high unit cost for a small footage contract in this isolated area and the possibility that the results would be inconclusive. He stated that he was sure it would be necessary to sink the shaft and do the drifting anyway. I did not pursue the suggestion further as it appeared probable that OME participation would not be justified in any event.

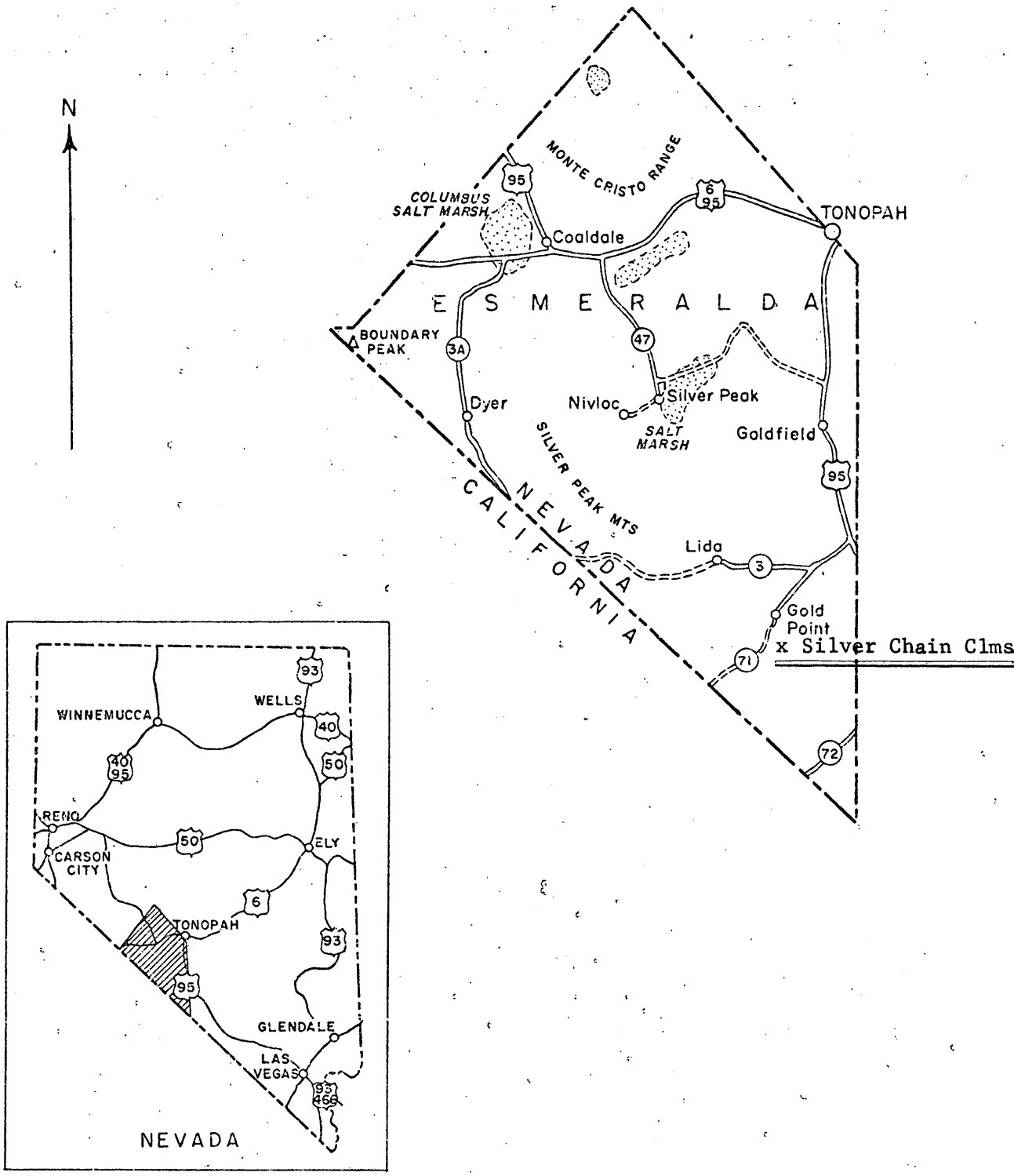

Figure 1. INDEX MAP OF ESMERALDA COUNTY, NEVADA

0 20 40 60 Miles

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/14	Peterson	120
9/14/67	Nishimoto	120
		110
9/14	Coe	220
		120M

AIRMAIL

Silver Chain Mining Company
Box 510
Goldfield, Nevada 89013

RE: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

Gentlemen:

Thank you for your letter of September 6, 1967, enclosing additional information in support of the subject application for exploration assistance.

We have noted your comments regarding the furnishing of Lien and Subordination Agreements. Please understand that if the agreements cannot be obtained it will be necessary for the partnership to furnish a Performance Bond covering the Government's share of the estimated cost of the work, in the event of an exploration contract.

It should also be understood that if an examination is made of your property the OME examiner would have no authority to enter into any negotiations to settle your dispute with the property owner.

The application is now being referred to Mr. Harold K. Stager, Field Officer, Officerof Minerals Exploration, U. S. Geological Survey, 345 Middlefield Road, Menlo Park, California 94025, for review and a possible field examination of the property.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

ECPeterson/bsl 9/14/67

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

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/13	Peterson	120
9/14	Kirkham	120
		110
		220
		120M

AIRMAIL

Memorandum

SEP 14 1967

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

The subject application is referred to Region II for a field examination if you consider it necessary, and recommendations.

The Applicant has submitted most of the additional information requested, except the Lien and Subordination Agreements. Their submittal apparently will be delayed until after the Applicant settles his account with one of the claim owners.

High silver assays reported by the Applicant as well as the brief geological report of August 5, 1967, by Victor Oppenheim tend to support the application for a silver project. Still lacking, however, are geologic data to indicate the probability of a significant ore discovery.

As you have noted, the estimated cost of the project is high considering the limited amount of work proposed. If a contract is recommended, the cost estimate should be revised in accordance with the average costs in the district.

FRANK E. JOHNSON (gla)
Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
I30
ECPeterson/bsl 9/13/67

23263

September 6, 1967
Box 510
Goldfield, Nevada

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 8 1967
INITIALS | CODE
120 M
~~110~~
120 P

United States Dept. of the Interior
Office of Mineral Exploration
Washington, D.C.

Attention: Mr. Frank E. Johnson

Re: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

Dear Mr. Johnson:

This is in reply to your letter of September 1st requesting additional information for our application.

The copies of our letters to the two banks are enclosed.

Regarding the MME Form 52. Mr. Boucher is willing to sign the agreement. However we have a problem with Mr. Bailey. He was contracted to do some work for us for which we have paid him about three fourths of the sum of the contract. However the work was unsatisfactory and not completed so we have not paid him the remainder. He tells us he will sign the agreement but not until he is paid in full. We do not feel we are obligated to pay him until his work is corrected and completed. So we are at an impasse. Should your Field Geologist visit our property we can show him the work in dispute. We hope to have this matter settled to the satisfaction of both parties in the near future.

In the event that our share of the costs are not covered in the manner stated in our application we are prepared to furnish the monies required. We bank at the First National Bank of Nevada located in Tonopah, Nevada. The money would be deposited there and a copy of our statement sent to you by us, or if you prefer, by the bank.

copies to R-II

We requested allowance for a trammer believing that it would expedite our work in the time we have allotted ourselves.

We are enclosing a geologists report which was delayed en route to us and which we just received. We hope you will attach it to our application.

We do thank you for your prompt attention to our application and hope that this enables you to continue its processing.

Very sincerely yours,

Silver Chain Mining Company

G. W. Rainwater

G. W. Rainwater, Mgr.

GWR/m
Enc.

June 8, 1967
Box 510
Goldfield, Nevada

Bank of America
12175 Ventura Blvd.
Studio City, California

Gentlemen:

I am a partner in the Silver Chain Mining Company which is presently exploring a group of claims known as the Silver Chain Claims in Esmeralda County, Nevada. Because I have been doing business with you for about twenty years, under my name of Margaret Kraemer until recently, I am requesting a loan from you for the Company.

We would like to borrow up to $60,000.00 to furthur explore these properties which we believe has a great potential in producing high grade silver ores. I will be in Studio City within a few days and will discuss this verbally with you.

Thank you very much.

Very sincerely yours,

Margaret G Rainwater

Margaret G. Rainwater

June 8, 1967
Box 510
Goldfield, Nevada

Security First National Bank
13352 Riverside Drive
Sherman Oaks, California

Gentlemen:

I am a partner in the Silver Chain Mining Company which is presently exploring a group of claims known as the Silver Chain Claims in Esmeralda County, Nevada. Because my husband, G. W. Rainwater has done business with your bank, at the Panorama City Branch under G. W. Rainwater, Insurance, and I have done business with you through Edmar Medical Laboratories of which I am part owner, I am requesting a loan from you for the Company.

We would like to borrow up to $60,000.00 to furthur explore these properties which we believe has a great potential in producing high grade silver ores. I will be in Sherman Oaks within a few days and will discuss this verbally with you.

Thank you very much.

Very sincerely yours,

Margaret G. Rainwater

Margaret G. Rainwater

VICTOR OPPENHEIM & ASSOCIATES
CONSULTING GEOLOGISTS AND ENGINEERS
FIDELITY UNION LIFE BUILDING
DALLAS, TEXAS 75201

(214) RI 8-3898

EXPLORATION
ENGINEERING
EVALUATION

DEVELOPMENT
DOMESTIC
INTERNATIONAL

August 5, 1967

PRELIMINARY REPORT
SILVER CHAIN MINING CLAIMS ,ESMERALDA COUNTY,NEVADA.

The above properties are situated approximately 4.5 miles South of Gold Point,Nevada,in the Gold Mountain Mining District and in the area of Slate Ridge. We made a brief visit to the 10 mining claims owned by the Silver Chain Mining Company on April 22,1967. Outcrops were examined and a 60 foot shaft on Claim No.3 was also inspected. The headframe and hoist works were operable and Mr.G.W. Rainwater was in the process of deepening the shaft.

The regional geology of the area of Slate Ridge is described in the U.S. Geological Survey Bulletin No.308 by S.H.Ball, 1907.Our brief examination and the available more recent data indicate that the limestone and shale formations of the claim area should be assigned Pre-Cambrian age. The sedimentary series are traversed by numerous granite, pegmatite and quartz dikes of Tertiary to Mesozoic age. The mineralization of the area is related to these intrusive bodies as well as the prevailing faulting of the region.

The ore of Silver Chain claims is complex carrying beside silver also copper,lead,iron and some gold. The silver appears as Cerargyrite (AgCl) and Bromyrite (AgBr) = 60% to 75% Ag. However, based on the numerous assays of the ore submitted to us, the tenor of the ore varies from a few oz to almost 300 oz per ton . The samples were obtained from the surface test pits and at different levels of the deep shaft. The mineralization is assumed to be of epithermal origine.

The shaft at the Silver Chain mine apparently follows a fissure vein dipping approximately 70° East with a NNE - SSW strike. The mineralized vein is about one to two feet wide where it carries good values; it is traceable on the surface for about 300 feet with a width of 5 to 6 feet NNE of the shaft. The shaft apparently follows a fissure vein or fault plane bringing in contact the limestone beds of the hanging wall with the shaley formation of the footwall - this, however, should be verified by additional field work.

From the above preliminary data it would appear that the mineralization could be largely metasomatic with both primary and secondary minerals present. Considerably more exploratory work on the properties would be required for a valid opinion on the ultimate potential of the Silver Chain mining claims. The assays and some of the data on this Preliminary Report were supplied to us by Mr.John W.Woodall,Field Assistant,and Mr. G.W.Rainwater,owner.

Victor Oppenheim
Consulting Geologist & Eng.

VO/pl

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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"		110

SEP 1 1967

Silver Chain Mining Company
Box 510
Goldfield, Nevada 89013

Re: OME-6649 (Silver)
Silver Chain Mining Company
Silver Chain Claims
Esmeralda County, Nevada

Gentlemen:

A preliminary review of your application for exploration assistance indicates that additional information is required before we can continue its processing.

Please furnish copies of your letters to the two banks requesting an exploration loan. This requirement listed under Item 1(a) of the application form cannot be waived.

Since the Silver Chain Mining Company does not own the claims where work is contemplated, it will be necessary for you to furnish five copies of Lien and Subordination Agreements signed by Andrew H. Boucher and Norman Bailey, who are listed as the owners of the property. Lien and Subordination Agreements (six copies MME Form 52) are enclosed for your possible use.

In the event of an exploration contract, you have indicated that your share of the costs would be contributed by supervision furnished by you, and by the use of equipment and supplies that you own. However, we find that allowances for such items supplied by the applicant usually are not sufficient to cover his share of the expenses. Therefore, we must have some assurance that you have other means of furnishing your share of the costs, in addition to the services mentioned.

For your information, allowances for use of equipment owned by the Operator is calculated in an OME contract by allowing depreciation to the extent of one-sixtieth of its fair market value, or its book value, whichever is less for each month used on the project. If the equipment is rented, a fair rental charge per month is allowed.

Reasonable allowances are made for supervision and labor under an OME contract, however, the employment of a general manager in addition to a full time supervisor-engineer would not be approved. We also question the need for a trammer.

23263

We will be pleased to consider your application further upon receipt of the requested information. However, nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region II
Mr. Peterson

ECPeterson/bih 8/31/67

August 29, 1967

Silver Chain Mining Company
Box 510
Goldfield, Nevada 89013

Subject: OME - 6649

Gentlemen:

Your application for exploration assistance, dated August 23, 1967, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6649.

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