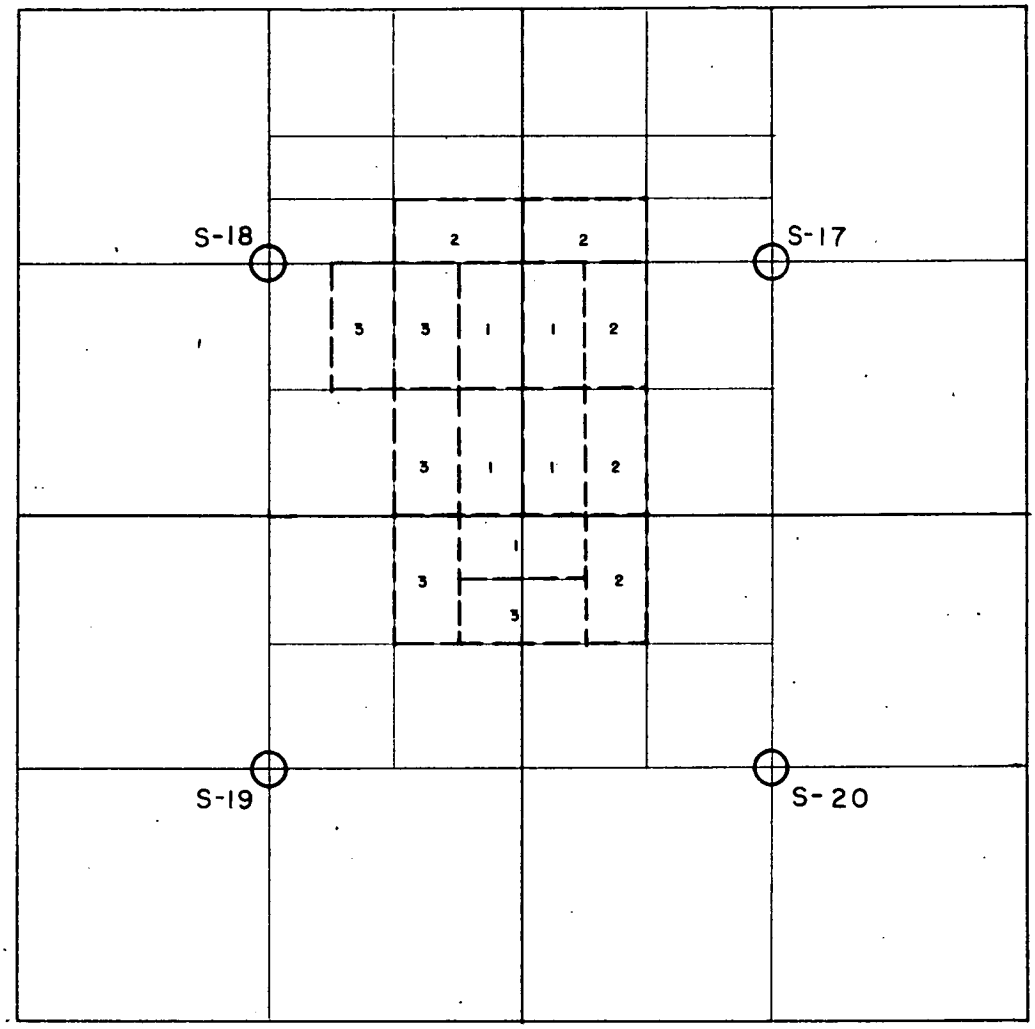
Good Fibre
Medium Fibre
Poor Fibre
Waste
} Serpentinized Peridotite
Lava
Sediments

JOHNS-MANVILLE CORP.
GEOLOGY
BUTTE CREEK ASBESTOS DEPOSITE
Scale 1" = 200'

August 5, 1952 J.F.S.
J. GILL



TOWNSHIP PLAT.

STITHEN CLAIMS

ASBESTOS GROUP 1, 2 and 3

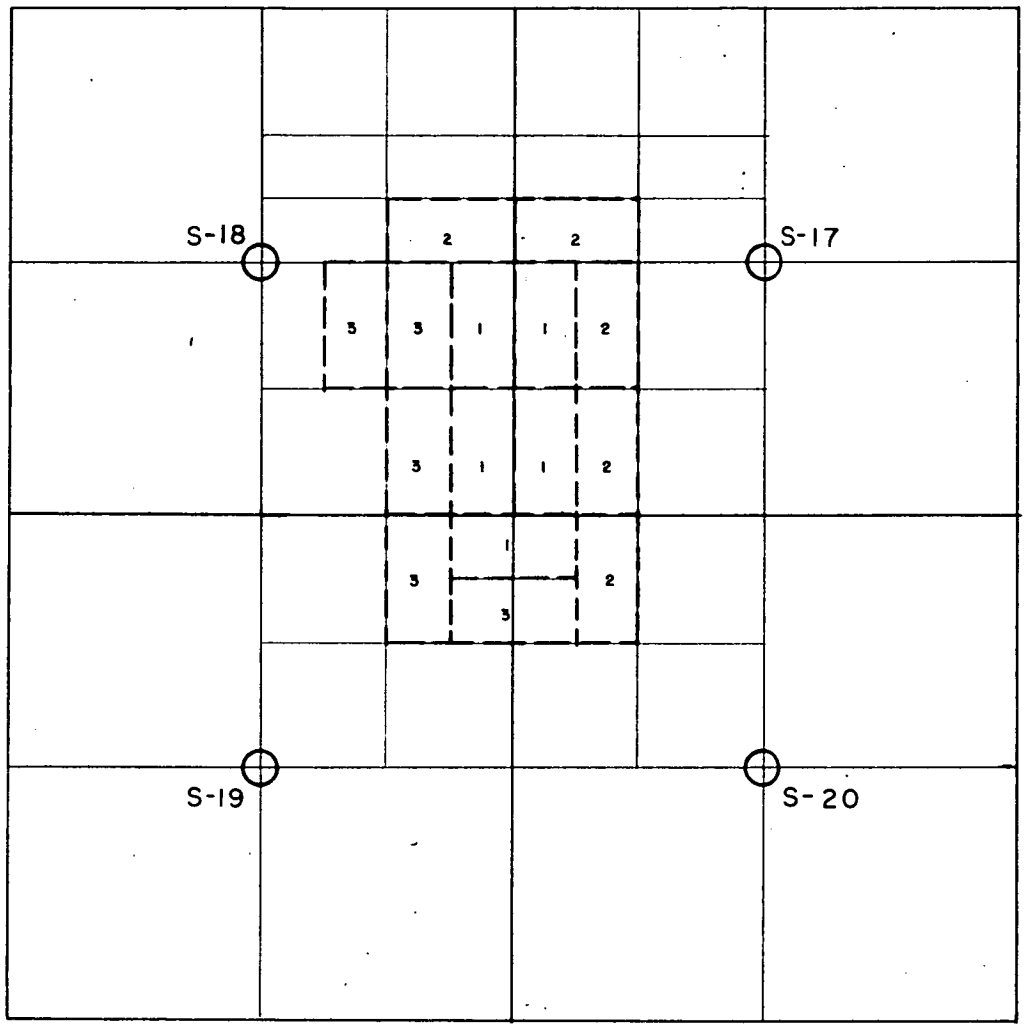
UNDER OPTION BY JOHNS MANVILLE CORP.

PART OF T.W.P. 11 SOUTH, RANGE 34 E.W.M.

GRANT COUNTY, OREGON

SCALE: 1" = 2000'

DATE: 1952



TOWNSHIP PLAT.

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PART OF T.W.P. 11 SOUTH, RANGE 34 E.W.M.

GRANT COUNTY, OREGON

SCALE: 1" = 2000'

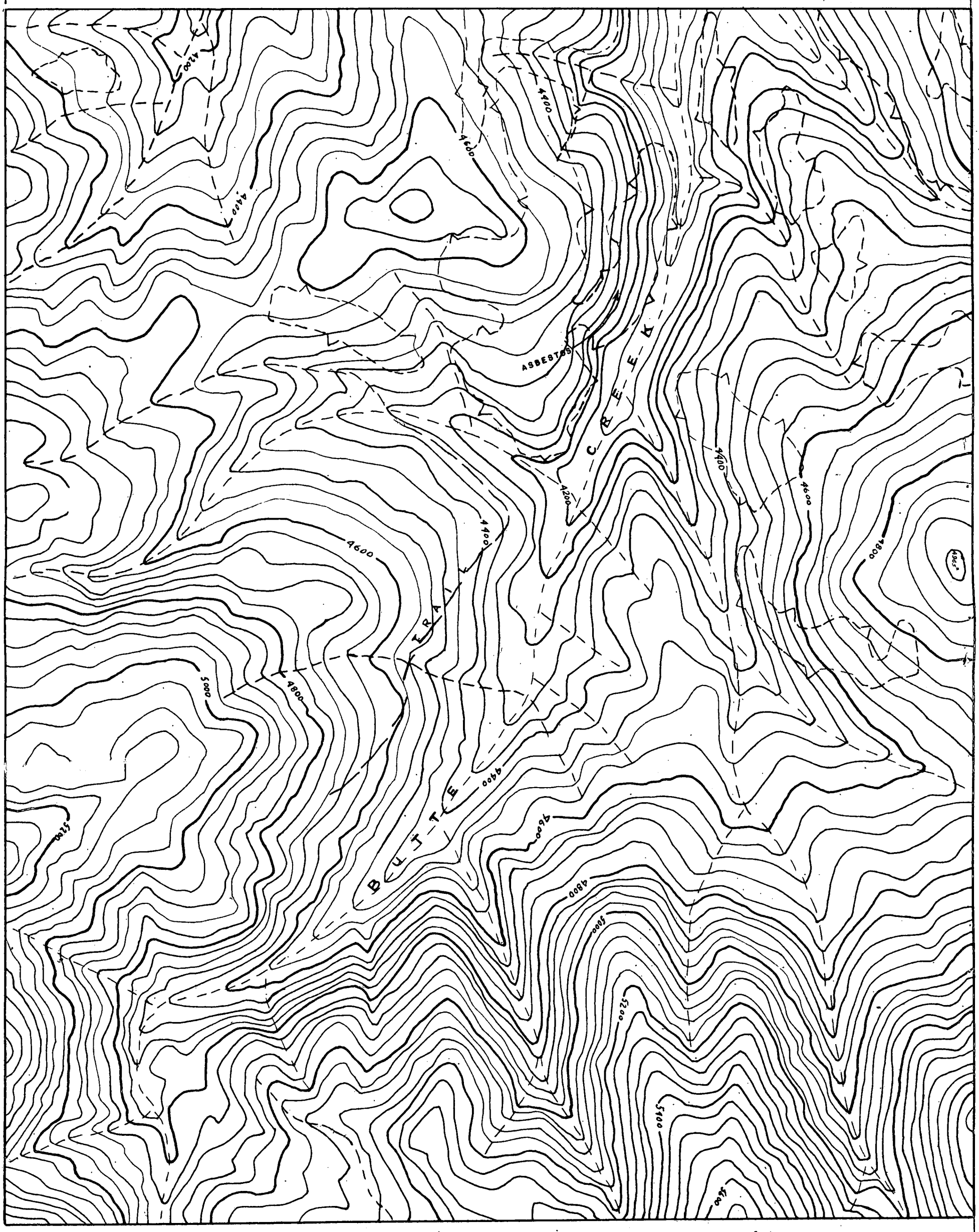
DATE: 1952

BIG BUTTE CREEK ASBESTOS DEPOSIT

MIDDLE FORK, JOHN DAY RIVER

GRANT Co. OREGON

118°40'



SCALE: 1" = 800' APPROX.

CONTOUR INTERVAL 40'

OPEN AREA IN FOREST

118°40

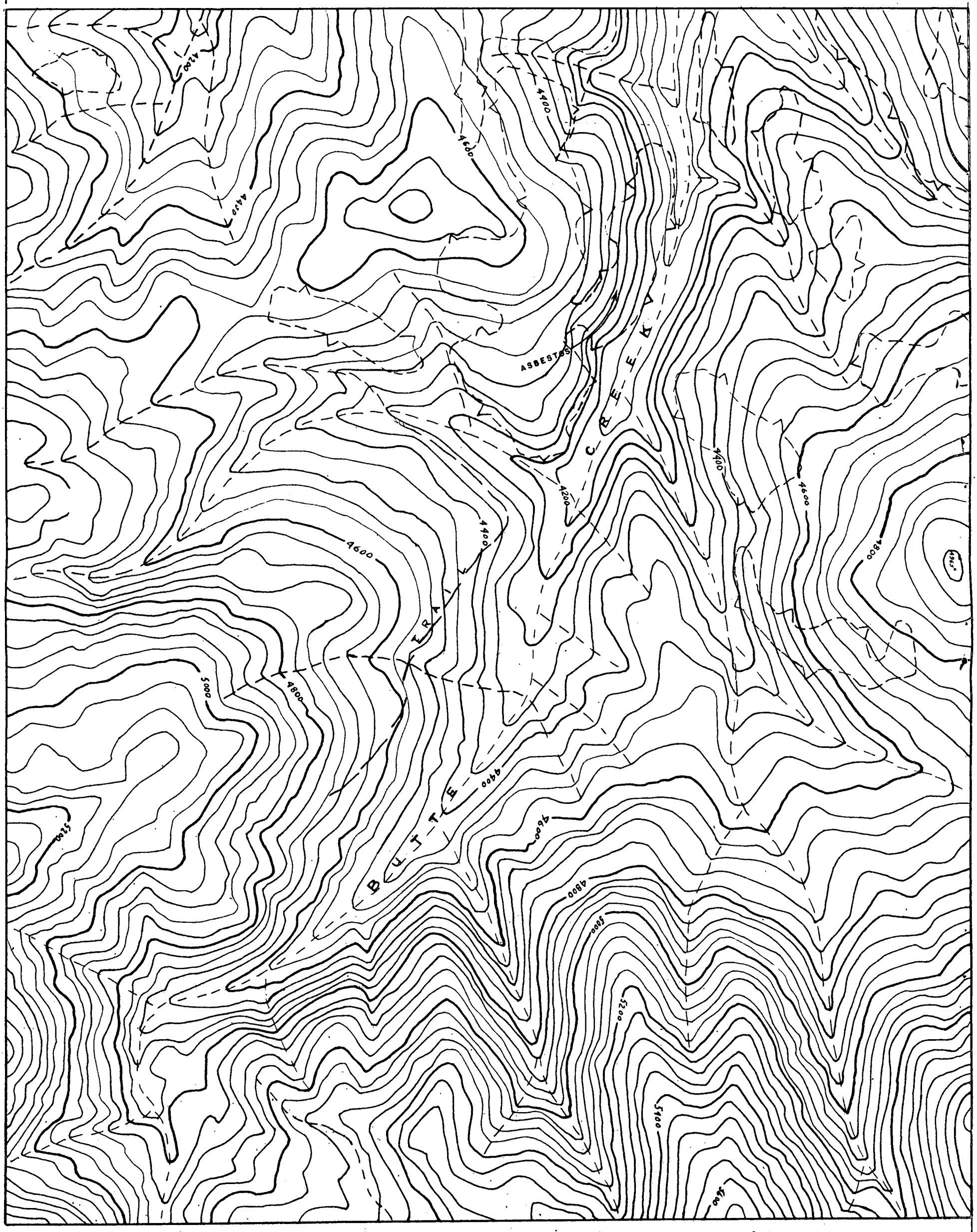
DRAWN FROM PRELIMINARY SHEET OF BATES, OREGON. U.S.A.G. 1950

BIG BUTTE CREEK ASBESTOS DEPOSIT

MIDDLE FORK, JOHN DAY RIVER

GRANT Co. OREGON

118°40'



SCALE: 1" = 800' APPROX.

CONTOUR INTERVAL 40'

OPEN AREA IN FOREST

118°40

DRAWN FROM PRELIMINARY SHEET OF BATES, OREGON. U.S.A.G. 1950

Placer

Proceedings to obtain patents for placer claims, including all forms of mineral deposits excepting veins of quartz or other rock in place are similar to those prescribed for obtaining patents for vein or lode claims, but where a placer claim shall be upon surveyed lands and conforms to legal subdivisions, no further survey or plat will be needed.

Placer applications should contain such detailed data as will support the claim that the land applied for is placer ground containing valuable mineral deposits not in vein or lode formation and that title is sought not to control water courses or to obtain valuable timber, but in good faith because of the mineral therein.

If a building-stone deposit, or deposit other than gold be claimed under the placer laws, applicant must describe fully the kind, nature and extent of deposit, stating the reasons why same is regarded by him as a valuable mineral claim.

If the claim be all placer ground, that fact must be stated in the application and corroborated by accompanying proofs; if of mixed placers and lodes it should be so set forth with descript-

veins of all known lodes situated within its boundaries. A specific declaration must be formulated as to each lode intended to be claimed. All other known lodes are, by the silence of the applicant, excluded by law from the claim by him, whatsoever matters possessory or otherwise.

Placer patent applying to the patented or applying within vertical planes drawn downward upon the surface boundaries except 1. Such lodes or veins whose tops or apexes are within the placer limits, whose existence was known prior to the filing of the application for placer patent, and were not included in the placer application. 2. Such veins or veins having their tops or apexes elsewhere, in many underlie the placer ground, and which may lawfully be taken by the owner of a regular lode location, pursuing his course on its dip underneath the placer. In the last class of case the priority of location is the only important mark.

April 27, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing review of Docket No. DMEA-2659 - Asbestos
Application: Dated August 15, 1952
(Voluntarily withdrawn April 20, 1953)
Contract: None
Property: Stitham Prospect (Asbestos Group No. 1, 2 & 3 - sometimes called Butte Creek Asbestos Prospect)
Located in Twp. 11S., Range 34E.
Grant County, Oregon
Applicant: Johns-Manville Sales Corporation
22 East 40th Street
New York 16, New York
Amount applied for - $67,060
Project work: None

This application for exploration assistance was voluntarily withdrawn by letter, dated April 20, 1953, signed by W. C. Winblad, Manager, Johns-Manville Sales Corporation.

Summary of Docket:

3/13/52	Received application, MF-103, together with report entitled "Butte Creek Asbestos Prospect" by H. K. Conn, Exploration Division, Canadian Johns-Manville, Ltd. Report was dated August 1951 and included a geological map and a claim map.
8/20/52	Memorandum on subject from Geological Survey - Paul L. Weis. Memorandum on subject from Bureau of Mines - Oliver Bowles. Both recommend a field team referral.
8/25/52	Referred to Field Team, Region II for examination.
9/12/52	Received additional maps.
10/28/52	Letter - Executive Officer, Region II to K. H. Huffine, Vice President, requesting that the company outline a program in two or more stages.

R[illegible] [illegible] ✓ [illegible] COMMERCIAL, NEW YORK, NEW YORK. SCALE: 1" = 195'
Mormont, Grant County, Oregon. 3-27-53
[illegible] No report was made [illegible]
[illegible]

3/23/53 Received examination report from Field Team, Region II, with maps and cross-sections. Report is a comprehensive memorandum written after examination of the property by Harold Kirkemo, Geologist, and Constantine C. Popoff, Mining Engineer. Project work in two stages is recommended. Stage I - 2,000 ft. of core-drilling, and
Stage II - 8,000 ft. of core-drilling.
Total project in the amount of $79,200.

4/2/53 A letter to the applicant from Chief, Nonmetallic Minerals Division, requesting information relative to work - some core-drilling done by the company for its own account in the fall of 1952.

4/16/53 Letter to K. L. Huffine, Vice President, on same subject as previous letter of April 2, 1953.

4/20/53 Letter from W. C. Winblad, Manager, Johns-Mansville Sales Corporation requesting that application be canceled and quoted in part as follows:

"This will confirm our previous conversation that it is the wish of Johns-Manville that our application which you have on hand be cancelled....." Signed by W. C. Winblad, Manager.

Comment: This company was discouraged by the time necessary to process the application in the field and apparently completed some of the work for their own account and found it not encouraging.

SIGNED

Jasper T. Robertson
Nonmetallic Minerals Division

JTRobertson:gad 4/27/53

Copy to: Admr. R. File
Docket File
Mr. Houk

Memorandum

To: Mr. Robert L. Adams

From: Nonmetallic Minerals Division

Subject: Permit No. [illegible]-2655 - Asbestos
Johns-Manville Sales Corporation
Either contract
Grant County, Oregon

Ref: Voluntary request for cancellation of subject application.

Attorney Clarke filed a letter from the Johns-Manville Sales Corporation making a request that their application Permit No. [illegible] 2655 be cancelled.

A return herewith, the permit file in this case and will consider it closed.

SIGNED
Oscar L. Robertson
Nonmetallic Minerals Division

Attachment

JRobertson:ifle 4/23/53

Copy to: Admr. - File
Permit File
Operating Committee
Field Admr., Region II
Mr. Norton, G-232 GSA Bldg.
Mr. Fowler, 3516
Mr. Hook
Mr. Adams

COPY COPY

JOHNS-MANVILLE

Sales Corporation

Telephone: National 8-5796

826 Woodward Bldg.
Washington 4, D. C.

April 20, 1953

Defense Minerals Exploration Administration
Department of the Interior Building
Washington, D. C.
Attn: Mr. L. G. Hook

Dear Mr. Hook:

This will confirm our previous conversations that it is the wish of Johns-Manville that our application which you have on hand be cancelled. We note your suggestion that future applications submitted by us could probably be processed more rapidly and we shall certainly keep this in mind.

Thank you very much for your numerous courtesies.

Yours very truly,

/s/ W. C. Winfield

W. C. WINFIELD

WCWin

[illegible]

To: Mr. Albert [illegible]

From: Nonmetallic Minerals Division

Subject: Docket No. [illegible]-2630 - Asbestos
[illegible]-Manville [illegible] Corporation
[illegible] Project
[illegible] County, [illegible]

Ref: A voluntary request for cancellation of subject application.

Attached [illegible] find a letter from the Johns-Manville [illegible] Corporation asking a request that their application Docket No. [illegible] 2630 be cancelled.

We return herewith the Docket File as this case and will consider it closed.

Jerome L. Sherstone
Nonmetallic Minerals Division

J.L.Sherstone:[illegible]

Copy to: Mr. [illegible] File
[illegible] File
[illegible] Committee
[illegible] Mr. Martin II
Mr. [illegible], [illegible] File
Mr. [illegible], 3516
[illegible]
[illegible]

COPY COPY

JOHNS-MANVILLE

Sales Corporation

Telephone: National 8-5796

826 Woodward Bldg.
Washington 4, D. C.

April 20, 1953

Defense Minerals Exploration Administration
Department of the Interior Building
Washington, D. C.
Attn: Mr. L. G. Nook

Dear Mr. Nook:

This will confirm our previous conversations that it is the wish of Johns-Manville that our application which you have on hand be cancelled. We note your suggestion that future applications submitted by us could probably be processed more rapidly and we shall certainly keep this in mind.

Thank you very much for your courteous courtesies.

Yours very truly,

/s/ W. C. Winfield

W. C. WINFIELD

WCW:ta

April 27, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing review of Docket No. DMEA-2659 - Asbestos
Application: Dated August 15, 1952
(Voluntarily withdrawn April 20, 1953)
Contract: None
Property: Stithem Prospect (Asbestos Group No. 1, 2 & 3 - sometimes called Butte Creek Asbestos Prospect)
Located in Twp. 11S., Range 34E.
Grant County, Oregon
Applicant: Johns-Manville Sales Corporation
22 East 40th Street
New York 16, New York
Amount applied for - $67,060
Project work: None

This application for exploration assistance was voluntarily withdrawn by letter, dated April 20, 1953, signed by W. C. Winblad, Manager, Johns-Manville Sales Corporation.

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Comment: This company was discouraged by the time necessary to process the application in the field and apparently completed some of the work for their own account and found it not encouraging.

Jasper T. Robertson
Nonmetallic Minerals Division

JTRobertson:gad 4/27/53

Copy to: Admr. R. File
Docket File
Mr. Houk

APR 1 6 1953

Mr. George M. Wilson, Asst. to the
Vice President
Johns-Manville Corporation
22 East 40th Street
New York 16, New York

Re: Docket No. DMSA-2659 - Asbestos
Stithem Prospect
Grant County, Oregon

Dear Mr. Wilson:

Reference is made to your letter of April 9, 1953, stating you have no record in your files of our request for information of October 28, 1952, signed by Mr. A. E. Weissenborn.

Transmitted herewith is a copy of our letter of October 28 to Mr. K. W. Buffine on the subject application, in response to your request.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure

LGHouk:gad 4/15/53

Copy to: Admr. R. File
Docket File
Field Team, Region II
Mr. Larrabee, G-232 GSA Bldg.
Dr. Bowles, Room 3516
Mr. Houk

12-

600

APR 2 1953

Mr. K. . Huffine, Vice President
Johns-Manville Sales Corporation
22 E. 40th Street
New York, New York

Re: Docket No. DMA-2659 - Asbestos
Stithem Prospect
Grant County, Oregon

Dear Mr. Huffine:

Reference is made to our letter of October 23, 1952, requesting information on the work performed by your corporation on the Stithem Asbestos Prospect, Grant County, Oregon.

The Defense Minerals Exploration Administration field team report has been received in this office and, in order to properly evaluate the proposed work, it is suggested that you supply us with the requested information together with any results that may have been obtained in the drilling campaign conducted by your corporation last fall.

Sincerely yours,

SIGNED

Lawrence G. Houk Chief
Nonmetallic Minerals Division

LGHouk:gad 4/2/53

Copy to: Admr. R. File
Docket File
Field Team, Region II
Mr. Larrabee, G-232 GSA Bldg.
Dr. Bowles, Room 3516
Mr. Houk

Mr. A. K. Weissenborn
Executive Officer, DMEA
Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: Docket No. DMEA-2659 - Asbestos
Johns Manville Sales Corporation
Stithem Prospect
Grant County, Oregon

Dear Mr. Weissenborn:

The above-subject applicant recently left photostatic copies of geologic, topographic and claim maps for the Stithem Prospect with this office.

One copy of each map is enclosed for your information.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 3

LHearne:gad 9/12/52

Copy to: Admin. Reading File
Docket File
Dr. Bowles, 3522
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Mr. K. W. Huffine
Vice-President, Johns-Manville
Sales Corporation
22 East 40th Street
New York, New York

Subject: Docket No. DMSA-2659
Asbestos
Stithem Prospect
Grant County, Oregon

Dear Mr. Huffine:

The above application has been referred to Mr. A. K. Weissenborn, Executive Officer, DMSA Field Team, Region II, South 157 Howard Street, Spokane 8, Washington, for further investigation in the field.

As soon as the Field Team's recommendations are received, you will be advised of the outcome.

Your interest in exploration for asbestos deposits is appreciated.

Sincerely yours,

C. O. Mittendorf

Acting Administrator

LFHearne:gad 8/25/52

Copy to: Admin. Reading File
Docket File
Operating Committee (2)
Field Team, Region II (2)
Mr. Norton, G-232 GSA Bldg.
Dr. Oliver Bowles, 3516
Mr. Houk

Mr. A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: Docket No. DMEA-2659 - Asbestos
Johns-Manville Sales Corporation
Stithem Prospect
Grant County, Oregon

Dear Mr. Weissenborn:

A field examination of the above project is requested.

Memoranda from the U. S. Bureau of Mines and U. S. Geological Survey are attached for your information.

This office has advised the applicant that "Owner's Consent to Lien" should be obtained for the claim upon which he holds an option, that three separate bids should be secured for diamond drilling, and that you should be informed of the name and address of the proper person to contact before making the examination.

Preliminary geological work has already been started independently by the applicant, and it is therefore urged that the Field Report be completed as soon as possible.

Sincerely yours,

R. C. Lafridge
ACTING Chairman, Operating Committee
Defense Minerals Exploration Administration

Approved:

C. W. Johnson
Member, Bureau of Mines

D. M. Lemmon
Member, Geological Survey

LFHearne:mp 8/19/52
cc: Docket File
Adm. Reading File
Operating Committee
Dr. Oliver Bowles, Rm 3516
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

Enclosures - 2

P.S. You may contact John C. Gill, Dates, Oregon, in charge of property. He can be reached by phone, person to person, c/o Ray Stithem, Dates, Oregon.

600

SEP 12 1952

Mr. A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: Docket No. DMEA-2659 - Asbestos
Johns Manville Sales Corporation
Stithem Prospect
Grant County, Oregon

Dear Mr. Weissenborn:

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One copy of each map is enclosed for your information.

Sincerely yours,

- S -

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 3

LHearne:gad 9/12/52

Copy to: Admin. Reading File
Docket File
Dr. Bowles, 3522
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

You may contact
John C. Gill
Bates, Oregon
In charge of property.
Can be reach by phone,
person to person call.
c/o of Ray Stethem
Bates, Oregon

C
O
P
Y

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

August 20, 1952

Memorandum

To: Mr. Lawrence G. Houk

From: Oliver Bowles

Subject: DMEA-2659
Johns-Manville Sales Corporation

The only record the Bureau of Mines has of asbestos in Grant County, Oregon is a brief statement in Mineral Resources of the U.S. for 1918, chapter on asbestos, to the effect that Oregon Asbestos Mine Company, of Portland, Oregon, worked an asbestos deposit a few miles north of Mt. Vernon, Grant County, and produced a small quantity of short-fiber chrysotite in 3 grades. No subsequent reference to this deposit is available.

I would recommend that the field team make an examination of this deposit.

/s/ Oliver Bowles

Oliver Bowles, Commodity Specialist
Construction and Chemical Materials Branch

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-2659
Metal or Mineral
Date Received 8-18-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Johns-Manville Sales Corporation

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized. a Delaware Corporation

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. See list attached

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract See attached

(*b*) State any mine name by which the property is known. Stithem prospect

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Applicant has option on Asbestos Group Placer Mining Claim and is owner of Asbestos Group #2 Placer Mining Claim and Asbestos Group #3 Placer Mining Claim.

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. See attached.

(*e*) If you own the land, describe any liens or encumbrances on it No encumbrances.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See attached.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See attached

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. See attached

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See attached

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. See attached

5. *The exploration project.*—(*a*) [redacted]te the mineral or minerals for which you wi[redacted]o explore Chrysotile asbestos

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. See attached

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract. See attached

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project. See attached

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). None

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. See attached

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See attached

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. See attached

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. No facilities are on the property that could be used for exploration.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. See attached

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes. See attached

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above. See attached.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

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.

Dated August 15, 1952

JOHNS-MANVILLE SALES CORPORATION
(Applicant)

By R. H. Stuffline
Vice-President

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Item 1. (c)

JOHNS-MANVILLE SALES CORPORATION
22 E. 40th Street,
New York 16, N.Y.

Name	Title	Residence
L. M. Cassidy	Chairman of the Board	46 Crest Drive South Orange, N.J.
C. F. Rassweiler	Vice-Chairman	9 Montview Ave. Short Hills, N.J.
A. R. Fisher	President	1115 Fifth Ave. Apt. 5B New York City, N.Y.
H. W. Allen	Vice-President	20 East 83rd Street, New York 28, N.Y.
L. A. Baldwin	Vice-President	Birch Lane Greenwich, Conn.
H. R. Berlin	Vice-President	38 Gainsborough Road Scarsdale, N.Y.
Alvin Brown	Vice-President	1010 Fifth Avenue, New York 28, N.Y.
E. K. Clark	Vice-President	49 Ashland Avenue, Pleasantville, N.Y.
C. G. Dandrow	Vice-President	Manhattan House 200 East 66th St. New York 21, N.Y. Apt. C-1903
A. S. Elsenbast	Vice-President	Stanwich Lane Greenwich, Conn.
R. S. Hammond	Vice-President	50 East 72nd St., Apt.13-A New York 21, N.Y.
K. W. Huffine	Vice-President	7 Lookout Ave., Bronxville, N.Y.
G. R. Lewis	Vice-President	2729 Belvoir Blvd. Shaker Heights 22, Ohio
J. A. O'Brien	Vice-President	5 Dupont Ave. White Plains, N.Y.
H. M. Shackelford	Vice-President	R.D. No. 1 New Canaan, Conn.

Item 1. (c)

JOHNS-MANVILLE SALES CORPORATION
22 E. 40th Street,
New York 16, N.Y.

Name	Title	Residence
R. C. Simmons	Vice-President	Woodstock Tower Apt. 1808 320 E. 42nd St. New York 17, N.Y.
R. P. Townsend	Vice-President	98 Mercer Ave., Hartsdale, N.Y.
F. J. Wakem	Vice-President	338 Ryder Road, Manhasset, N.Y.
W. R. Wilkinson	Vice-President	2 Winslow Place, Larchmont, N.Y.
Roger Hackney	Treasurer	20 Maple Ave., Larchmont, N.Y.
Herbert Morton Ball	Secretary	1348 Midland Ave., Bronxville 8, N.Y.
J. L. Pichetto	Asst.Treasurer & Asst. Secretary	King St., Chappaqua, N.Y.
H. J. Brundage	Assistant Treasurer	The Buckingham Garth Road, Scarsdale, N.Y.
J. L. Wood	Assistant Treasurer	764 Palmer Rd. Bronxville, N.Y.
Irving J. Pedly	Assistant Secretary	25 Monroe Place Brooklyn 2, N.Y.

Business address: All of above - 22 E. 40th Street,
New York 16, N.Y.

Except: G. R. Lewis - 45 Prospect Avenue, N.W.
Cleveland, Ohio

Item 3. (a)

Johns-Manville Sales Corporation - 22 E. 40th Street, New York 16, N.Y.

The property involved is in Grant County, Oregon and consists of the following:

Asbestos Group Placer Mining Claim, unpatented, covering the following real property:

E½ of E½ of SE¼ of Sec. 18; W½ of W½ of SW¼ of Sec. 17; NE¼ of NE¼ of NE¼ of Sec. 19 and NW¼ of NW¼ of NW¼ of Sec. 20, all in Township 11 South of Range 34, E. W. M.;

Asbestos Group #2 Placer Mining Claim, unpatented, covering the following real property:

S½ of SW¼ of NW¼, and E½ of W½ of SW¼ of Sec. 17; SE¼ of NE¼ of NE¼ of Sec. 19; E½ of NW¼ of NW¼ and SW¼ of NW¼ of NW¼ of Sec. 20, all in Township 11 South of Range 34, E. W. M.;

Asbestos Group #3 Placer Mining Claim, unpatented, covering the following real property:

S½ of SE¼ of NE¼, W½ of E½ of SE¼, SE¼ of NW¼ of SE¼ and NE¼ of SW¼ of SE¼ of Sec. 18 and W½ of NE¼ of NE¼ of Sec. 19, all in Township 11 South of Range 34, E. W. M.

Item 3. (d)

Attached is copy of option agreement dated January 24, 1952 between Ray Stithem and Johns-Manville Sales Corporation covering Asbestos Group Placer Mining Claim, unpatented.

Item 3. (f)

Asbestos Group Placer Mining Claim, unpatented, location notice filed Volume Y page 556 of the Mining Records of Grant County, Oregon, amended location notice filed Volume Z page 342 of the Mining Records of Grant County, Oregon.

Asbestos Group #2 Placer Mining Claim, unpatented, location notice recorded Book Z page 371, Mining Records of Grant County, Oregon.

Asbestos Group #3 Placer Mining Claim, unpatented, location notice recorded Book Z page 372, Mining Records of Grant County, Oregon.

August 6, 1952.

4. PHYSICAL DESCRIPTION:

(a) No mining operations have ever been carried on at this prospect. G eological mapping, line cutting in preparation for a magnetometer survey, and trenching are presently being carried on. We are carrying on this work solely.

(b) No record of past production or any ore reserves.

(c) Little is known of the geology to date. The prospect appears to lie in an irregular mass of serpentinised peridotite, which in turn has intruded sedimentary formations. A report is attached.

(d) The prospect is located near the head of Butte Creek, approximately 8 miles north of Bates. Bates is a few miles north of U. S. Highway #28, this in turn passing through the town of John Day 32 miles to the westward. From Bates north access to the prospect is by means of a good gravel road and by means of an old logging road. If a commercial property is proven shipping should prove relatively simple.

(e) Manpower, materials, supplies, equipment, etc. are available as required for exploration. They could be reasonably obtained as required for exploration.

5. (b) The area of exploration is indicated in the report.

(c) An exploration program is presently being carried on.

(d) The applicant is the largest miner and producer of chrysotile asbestos fibres in the world. The exploration of this project will be carried out with personnel from its exploration department who are fully qualified in all phases of exploration and examination.

6. The costs and the exposures if the prospect indicates more work should be done as the exploration develops are as follows:

See next page.

THE REQUIREMENTS and COSTS:

(a)	Labour:				
	2 General labourers	(2 months)	@	$ 240.00	$ 960.00
	1 Geological assistant	(3 months)	@	300.00	900.00
(b)	1 Geologist	(4 months)	@	400.00	1,600.00
	Office staff charges and Chief Geologist charges				2,000.00
	1 Cook	(4 months)	@	250.00	1,000.00
(c)	-				
(d)	Cost tent camp - consisting of sleeping, eating and storage facilities, including equipment.				900.00
(e)	-				
(f)	Bulldozer - 60 hours		@	15.00/hr	1,200.00
	10,000 feet diamond drilling		@	5.00	50,000.00
	Auto rental	(3 months)	@	200.00	600.00
	Compressor	(1 month)			500.00
(g)	Magnetometer	(30 days)	@	10.00	300.00
	Surveying equipment	(30 days)	@	5.00	150.00
(h)	-				
(i)	Board		@	3.00/day	700.00
	Transportation				1,250.00
	Bulk Sample				5,000.00

6. (c) See 6 above.

No data available as yet to enable this information to be furnished.

(d) No information regarding operational equipment can be given until exploration has advanced further than to date.

(e) No buildings or installations on the prospect.

(f) Not planning any installation.

(g) Information not available. No repairs, etc. to equipment are contemplated.

CONTINGENCIES:

We customarily allow 10% on total estimated cost.

THIS AGREEMENT, dated the 24th day of January, 1952, between RAY STITHEM, a single man, of Bates, Grant County, Oregon, Seller, and JOHNS-MANVILLE SALES CORPORATION, a Delaware Corporation, Purchase,

WITNESSETH:-

1. In consideration of the sum of Five hundred ($500) Dollars in hand paid by Purchaser to Seller upon execution of this Agreement, receipt of which is hereby acknowledged, Seller agrees to sell to Purchaser or its nominee and Purchaser agrees to buy from Seller subject to the terms and conditions of this Agreement all the unpatented mining claims known, described and situated as follows:

> The Asbestos Group Placer Mining Claim, unpatented, as the same is located, recorded and held, the original location notice thereof appearing of record in Volume Y at page 556 of the Mining Records of Grant County, Oregon, and an amended location notice thereof designed to correct certain errors and ambiguities appearing in the original location notice appearing of record in Volume Z at page 342 of said Mining Records, said claim covering the following described ground:
>
> The East half of the East half of the Southeast quarter of Section 18, the West half of the West half of the Southwest quarter of Section 17, the Northeast quarter of the Northeast quarter of the Northeast quarter of Section 19, and the Northwest quarter of the Northwest quarter of the Northwest quarter of Section 20, all in Township 11 South of Range 34, E.W.M. in no organized mining district, in Grant County, State of Oregon, containing 100 acres according to the public survey,

together with all rights and interests of whatsoever kind or description of Seller therein, thereunto belonging or in any way appertaining thereto (sometimes hereinafter collectively referred to as the "property"), all the foregoing to be free and clear of all liens, encumbrances, defects and exceptions except as herein-

after expressly set forth.

2. Seller hereby grants to Purchaser the exclusive continuing right for and during the period of two (2) consecutive calendar years next following the date of this Agreement to elect in Purchaser's sole discretion whether or not to purchase the property for the further and final sum of Fifty thousand ($50,000) Dollars as hereinafter provided. In the event that Purchaser so elects to purchase the property, Purchaser will notify Seller on or before the expiration of said period of its intention so to purchase. At the time of giving such notice to Seller, Purchaser will deliver to Seller the sum of One thousand ($1,000) Dollars in partial payment of said further and final sum of Fifty thousand ($50,000) Dollars. In the event that this Agreement is thereafter terminated for any reason or in the event that the property is not conveyed to Purchaser by Seller in accordance with the terms of this Agreement for any reason, Seller shall thereupon return said One thousand ($1,000) Dollars to Purchaser.

3. Upon receipt of Purchaser's notice of intention to purchase and of said partial payment, Seller will notify Purchaser of the day, date and hour within ten (10) days and not sooner than five (5) days following such receipt at which Seller will, and on which Seller shall, deliver to Purchaser at such address in Baker, Oregon, as Purchaser shall designate in said notice to Seller a good and sufficient deed of the property together with such other necessary instruments as may be required in connection therewith in accordance with the terms and conditions of this Agreement and Purchaser will pay to Seller simultaneously with such delivery the remaining balance of said further and final sum of Fifty thousand ($50,000) Dollars, namely Forty-nine thousand ($49,000) Dollars.

4. Seller represents and warrants that the unpatented mining claims included in the property have been duly located as placer claims as required by law, that Seller is the sole owner thereof, that Seller has the right to convey the same, and that Seller will not suffer or permit any encumbrance of the property. Seller further represents and warrants that there are no known vein or lode formations of asbestos or other minerals in, under or part of the real property subject to the placer mining claims described and set forth herein, and that no lode mining claims have been staked, filed or otherwise asserted with respect to or against any asbestos or other mineral deposits in such real property.

5. Purchaser at its own expense may procure abstracts of title or cause such other title examination of the property as it may desire. Purchaser may at any time during the term of this Agreement notify Seller of any and all liens, encumbrances, defects and exceptions of and to title to the property and Seller shall at his own expense cure and remove the same. In the event Seller shall be unable so to do, Purchaser in the exercise of its sole discretion shall have the option to accept such title as Seller may be able to convey or to terminate this Agreement without prejudice to Purchaser. Should Purchaser elect to accept title to the property subject to liens, encumbrances, defects or exceptions other than those expressly excepted herein and which Seller has not cured or removed under the terms of this Agreement, Seller shall thereafter cooperate fully with Purchaser to effect the cure or removal thereof and shall pay to Purchaser all costs and expenses incurred by Purchaser in effecting such cure or removal.

6. Seller hereby grants to Purchaser the rights of exclusive possession of the property and to enter immediately thereon for the purposes of examining, testing, exploring, prospecting and otherwise determining the extent and value of the deposits of asbestos or other minerals situated upon the property, including the rights to drill, mine, extract and retain as its own free of all charges or royalties not exceeding two hundred (200) tons of asbestos, metals and minerals resulting from such operations. Purchaser shall pay in full all expenses which it may incur for labor, materials and supplies, insurance (including but not limited to Workman's Compensation and Unemployment Insurance), and all other lienable indebtedness incurred by it in connection with such operations upon the property. Purchaser will hold Seller harmless against all liens and encumbrances which it may permit to attach to the property.

7. Purchaser will accomplish or cause to be accomplished such annual labor and/or assessment work and preparation and filing of such timely and proper proof thereof with the proper authorities for and during the term of this Agreement as may be required by law to keep the above claims in force. Purchaser at its own expense may prosecute or cause to be prosecuted during the term of this Agreement such patent proceedings with respect to the property as it may desire and Seller will cooperate fully in such proceedings and procure or execute such applications, affidavits or other instruments as may be required by law.

8. Seller shall pay in full all taxes or other sums assessed against the property during the term of this Agreement other than those which are specifically provided in this Agreement

to be the obligation of Purchaser. In the event Purchaser elects to purchase the property as provided herein, taxes and other sums assessed against the property for and during the year of such election which are the obligation of Seller under this Agreement shall be prorated as of the date on which title to the property is conveyed by Seller to Purchaser.

9. Purchaser shall have the right at any time during the term of this Agreement to terminate this Agreement by giving notice to Seller thirty (30) days in advance of the effective date of such termination at which time all executory obligations of Purchaser hereunder shall cease. In the event of such termination, Purchaser shall have the right within ninety (90) days thereafter to remove from the property all tools, equipment, machinery, buildings and other property placed therein or thereon by Purchaser and if during such removal period Purchaser is prevented from or hindered in such removal by causes beyond its control the term of such removal shall be extended for the time of the delay resulting from such prevention or hinderance.

10. Seller covenants that Purchaser, upon making the payments and performing the agreements on its part to be performed hereunder shall lawfully and quietly hold, occupy and enjoy the property, and further covenants to defend Purchaser therein against all persons claiming the property or any interest therein.

11. Notices given pursuant to this Agreement shall be deemed complete when deposited in either the Dominion of Canada or United States of America mail with postage prepaid, registered, and addressed to the other party at the address shown below or at such other place as may be designated in a notice conforming to

These requirements:

To Purchaser at: Legal Department,
Johns-Manville Sales Corporation
22 East 40th Street, New York 16, N.Y.

To Seller at: Harold Banta, Esq.
Hallock, Banta, Silven & Horton,
Second Floor, Sommer Building,
Baker, Oregon

12. This Agreement shall enure to the benefit of and be binding upon the heirs, representatives, successors and assigns of Seller and Purchaser as the case may be. By notice to Seller, Purchaser may at any time during the term of this Agreement designate a nominee to whom or to which Seller shall convey the property as provided herein.

13. This Agreement may be executed in any number of counterparts, and all said counterparts executed and delivered, such as an original, shall constitute but one and the same instrument. No change or modification of this Agreement shall be effective unless the same be in writing executed by the parties hereto.

14. Purchaser shall not be liable for delays or defaults in the performance of any of its obligations hereunder occasioned by any cause of any kind or extent beyond its control including but not limited to Acts of God, armed conflict or economic dislocation resulting therefrom, labor difficulties, civil disorders of any kind, action of civil or military authorities of any kind, and transportation or postal difficulties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed.

JOHNS-MANVILLE SALES CORPORATION

By K.W.Huffine
Vice-President

Attest:

Irving J. Pedly
Assistant Secretary

Ray Stithem (L.S.)
Ray Stithem

Witness:

Harold Banta
as to Seller

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 24 day of January, A.D. 1952, personally appeared K. W. Huffine, who being duly sworn did say that he is the Vice-President of JOHNS-MANVILLE SALES CORPORATION and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:

Charles R. Binder
Notary Public

STATE OF OREGON)
) ss.:
COUNTY OF)

On this 24th day of January A.D. 1952, personally appeared the above named RAY S TITHEM and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

Harold Banta
Notary Public

My commission Expires: Apr. 20, 1954

Received for record February 7, 1952 at 9:14 A.M.

#22407 Book 64 Page 513

KNOW ALL MEN BY THESE PRESENTS, That Walter P. Stithem, a single man and Gerald F. Stithem and Dorothy F. Stithem, husband and wife, in consideration of TEN and no/100 ----------($10.00) Dollars, and other good and valuable considerations to them paid by JOHNS-MANVILLE SALES CORPORATION, a Delaware corporation, do hereby remise, release and forever QUITCLAIM unto the said JOHNS-MANVILLE SALES CORPORATION, a Delaware Corporation and unto its successors and assigns all their right, title and interest in and to the following described parcel of real estate, together with the tenements, hereditaments and appurtenances, situate in the County of Grant State of Oregon, to-wit:

THE ASBESTOS GROUP #3 Placer Mining Claim as the same is located, recorded and held, said claim covering the following described land:

The S½ SE¼ of NE¼, the W½ of E½ of SE¼, the SE¼ of NW¼ of SE¼, and the NE¼ of SW¼ of SE¼ of Sec. 18; and W½ of NE¼ of NE¼ of Sec. 19, all in Twp. 11 S.R. 34, E.W.M., containing 100 acres according to the public survey; also the ASBESTOS GROUP #2 Placer Mining Claim as the same is located, recorded and held, said claim covering the following described land: The S½ of SW¼ of NW¼, and E½ of W½ of SW¼ of Sec.17; the SE¼ of NE¼ of NE¼ of Sec. 19; and E½ of NW¼ of NW¼, and the SW¼ of NW¼ of NW¼ of Sec. 20, all in Twp. 11 S.R. 34, E.W.M., containing 100 acres according to the public survey.

To have and to hold the same to the said JOHNS-MANVILLE SALES CORPORATION, a Delaware Corporation, and to its successors and assigns forever.

IN WITNESS WHEREOF, they have hereunto set their hands and seals this 3rd day of January A.D. 1952.

Executed in the presence of

(Sgd) Luther C. Martin

(Sgd) Walter P. Stithem (Seal)
a single man

(Sgd) Gerald F. Stithem (Seal)

(Sgd) Dorothy F. Stithem (Seal)
wife of Gerald F. Stithem

STATE OF WASHINGTON,)
) ss.
COUNTY OF KING)

BE IT REMEMBERED, That on the 3rd day of January A.D. 1952 before me, the undersigned, a notary public in and for said County and State, personally appeared the within named Walter P. Stithem, a single man, and Gerald F. Stithem, and Dorothy F. Stithem, husband and wife, who

are known to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

(Sgd) Luther C. Martin
Notary Public for Washington

My Commission expires Dec. 14, 1953

Johns-Manville Sales Corporation - 22 E. 40th St. New York 16, N.Y.

#22408 Book 64 Page 515

KNOW ALL MEN BY THESE PRESENTS, that RAY STITHEM, PEACHA G. DeWITT, and T. GAIL DeWITT, in consideration of Ten and no/100--DOLLARS and other good and valuable considerations to them paid by JOHNS-MANVILLE SALES CORPORATION, a Delaware corporation do hereby remise, release and forever QUITCLAIM unto the said JOHNS-MANVILLE SALES CORPORATION a Delaware corporation, and unto its successors and assigns all their right, title and interest in and to the following described parcel of real estate, together with the tenements, hereditaments and appurtenances, situate in the County of Grant, State of Oregon, to-wit:

The ASBESTOS Group #3 Placer Mining Claim as the same is located, recorded and held, said claim covering the following described land:

The S½ of the SE¼ of the NE¼, the W½ of E½ of SE¼, the SE¼ of NW¼ of SE¼, and the NE¼ of SW¼ of SE¼ of Sec. 18; and W½ of NE¼ of NE¼ of Sec. 19, all in Twp. 11 S.R. 34, E.W.M., containing 100 acres according to the public survey; also the ASBESTOS GROUP #2 Placer Mining Claim as the same is located, recorded and held, said claim covering the following described land: The S½ of SW¼ of NW¼, and E½ of W½ of SW¼ of Sec. 17; the SE¼ of NE¼ of NE¼ of Sec. 19; and E½ of NW¼ of NW¼ and the SW¼ of NW¼ of NW¼ of Sec. 20, all in Twp. 11 S., R.34, E.W.M., containing 100 acres according to the public survey.

TO HAVE AND TO HOLD the same to the said JOHNS-MANVILLE SALES CORPORATION, a Delaware Corporation, and to its successors and assigns forever.

IN WITNESS WHEREOF, they have hereunto set their hands and seals this 9th day of January A.D. 1952.

Executed in the presence of

(Sgd) Harold Banta

(Sgd) T. Gail DeWitt (Seal)

(Sgd) Peacha G. DeWitt (Seal)

(Sgd) Ray Stithem (Seal)

STATE OF OREGON)
)ss.
COUNTY OF GRANT)

BE IT REMEMBERED, That on this 9th day of January A.D. 1952 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Ray Stithem, Peacha G. DeWitt and T. Gail DeWitt, wife and husband, who are known to me to be the identical individuals described in and who executed the

within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

(Sgd) Harold Banta
Notary Public for Oregon.

My Commission expires April 20, 1954

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2659

COMMODITY Asbestos

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Johns-Manville Sales Corporation, a corporation organized and existing under the laws of the State of Delaware.

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Oregon, County of Grant, described as follows:[3] Asbestos Group #2 Placer Mining Claim, unpatented, covering the following real property: S½ of SW¼ of NW¼, and E½ of W½ of SW¼ of Sec. 17; SE¼ of NE¼ of NE¼ of Sec. 19; E½ of NW¼ of NW¼ and SW¼ of NW¼ of NW¼ of Sec. 20, all in Township 11 South of Range 34, E.W.M. Asbestos Group #3 Placer Mining Claim, unpatented, covering the following real property: S½ of SE¼ of NE¼, W½ of E½ of SE¼, SE¼ of NW¼ of SE¼ and NE¼ of SW¼ of SE¼ of Sec. 18 and W½ of NE¼ of NE¼ of Sec. 19, all in Township 11 South of Range 34, E.W.M. the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None Asbestos Group Placer Mining Claim, unpatented, covering the following real property: E½ of E½ of SE¼ of Sec. 18; W½ of W½ of SW¼ of Sec. 17; NE¼ of NE¼ of NE¼ Sec. 19 and NW¼ of NW¼ of NW¼ of Sec. 20, all in Township 11 South of Range 34, E.W.M.

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ..... days from the date of this contract shall commence work on a project of exploration for[5] asbestos

in or upon the described land; and shall bring the project to completion within a period of ..... from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay ninety percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $_____, which is ninety percent of $_____, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Oregon, County of Grant, described as follows:1/

E½ of E½ of SE¼ of Sec.18; W½ of W½ of SW¼ of Sec.17; NE¼ of NE¼ of NE¼ of Sec.19; and NW¼ of NW¼ of NW¼ of Sec.20, all in Township 11 S, Range 34 E.W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Johns-Manville Sales Corporation

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 60,354, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 1st day of September, 195 2.

Ray Stithem [Seal]

[Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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Dated this 2nd day of September, 195 2.

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Good Fibre
Medium Fibre
Poor Fibre
Waste
} Serpentinized Peridotite
Lava
Sediments

JOHNS-MANVILLE CORP.
GEOLOGY
BUTTE CREEK ASBESTOS DEPOSITE
Scale 1" = 200'

August 5, 1952 J.F.S.
J. GILL

Copy.

Report referred to in answer to Item 4. (c)

BUTTE CREEK ASBESTOS PROSPECT

OREGON, U. S. A.

c

o

p

y

by

H. K. Conn.

Asbestos, Quebec. August, 1951.

Exploration Division

CANADIAN JOHNS-MANVILLE CO., LTD.

Johns-Manville Sales Corporation - 22 E. 40th Street, New York 16, N.Y.

Introduction:

An examination of the Stithem property in northeastern Oregon was made by the writer on July 25, 1951. The property consists of five adjoining claims, each of 20 acres, which cover the showings and include part of the surrounding peridotite mass. The following persons hold one claim apiece: Mr. Ray Stithem, Mr. G. DeWilt, Mrs. G. DeWilt, Mr. Ray Stithem's brother and the latter's son. Mr. Ray Stithem has performed all the prospecting and staking and assisted during examinations of the showing. He has also obtained verbal power of attorney from these individuals.

Location and Access:

The property is located near the head of Butte Creek, a small stream flowing into the middle fork of the John Day river, about 8 miles north of Bates. The latter village is several miles north of U. S. Highway #28, which passes through the town of John Day 32 miles to the westward.

A convenient means of reaching this locality is to fly by United Airlines from Seattle to Pendleton, and thence to drive directly to the property via John Day and Bates.

A good gravel road parallels the middle fork of the John Day river north of Bates, and continues past an old logging road which leads up Butte Creek for some two miles to the showing. This logging road runs southwestward from the gravel road, about 9 miles north from Bates. The turn-off is several hundred yards northwest of a fork in the road and nearly opposite several old wooden buildings.

The property is located in a rolling region forming part of the Blue Mountains, and is within a National Forest Reserve. Selective cutting of the forest, which is dominated by the immense Panderosa pine, has resulted in a network of usable logging roads in this area.

Acknowledgements:

The writer wishes to acknowledge the kindness and hospitality of Mr. and Mrs. G. DeWilt, who operate a small ranch about 10 miles north of Bates, on the northeast fork of the road.

The writer is indebted to Mr. Ray Stithem for accommodation arrangements at the DeWilt ranch, and for his active cooperation during the examination of the property.

Conclusions and Recommendations:

1. Chrysotile cross-fibre veins are intermittently exposed by trenching over a length of 1200 to 1400 feet and an approximate width of 100 feet. This zone appears to widen to the north, in the vicinity of the contact. Many of the outcrops on either side of the zone show little or no fibre, however, the paucity of the bedrock exposures must be taken into account when the area extent is being considered.

2. The greater part of this zone has fibre lengths which in general are less than 1/4" (bulk sample #2). A smaller section contains cross-fibre with a length of 7/16" (bulk sample #1).

3. The fibre is semi-harsh to harsh in texture.

4. The bulk samples were shipped to the Research Centre at Manville, N.J., but have been delayed en route and are not yet processed.

5. This property would be considered of immediate interest if located in the Eastern Townships of Quebec.

Description of the Property:

The writer could obtain little information on the regional geology during his brief visit to this district. The asbestos deposit occurs within an irregular mass of serpentinized peridotite, which appears to intrude the adjoining sedimentary formations. This is suggested by the zone of altered rock occurring near the inferred contact on the south side of the serpentine. Geological mapping indicates that the serpentine has a width of 2000 to 2400 feet in a north-south direction in the region of the deposit. Mr. Stithem stated that he had prospected in serpentine for at least 1/4 mile both eastward and westward from the showing. Bedrock is sparsely exposed in the area; occasional small pitted outcrops of weathered serpentine occur on the hillside, and some fresh-looking serpentine is partially exposed in the trenches. It is estimated that 95% of the bedrock is covered by clay overburden, 3 to 4 feet in depth.

The trenches in general follow the contour of the slope in a north to northeasterly direction. They have an average width of 10 feet and a maximum length of 1200 feet, and form a series of steps 50 to 70 feet apart down the 30° slope of the hill (Fig. 1). The trenches are numbered 1 to 4 from east to west, in an upslope direction. The upper trench was made by scraping an old logging road to expose a portion of the bedrock.

Trenches 1 and 4 contained very few outcrops of serpentine, and were not studied in detail, while trench 2 with the best exposures of bedrock was more closely examined. A traverse of trench 4 showed only small intermittent exposures.

The best section of fibre was observed at the south end of trench 4, some 50 feet north of its intersection with trench 3. Here a small outcrop displayed numerous veins of harsh fibre with a maximum width of 7/16". A vein count across a 3 foot section shows:

Length of fibre	1/16	1/8	3/16	1/4	5/16	3/8
Number of Veins	2	4	3	4	1	1 = 8% fibre

Some 40 feet north of this section is an outcrop showing a smaller number of veins.

Across a 3 foot section theyare:

Length of fibre	1/16	1/8	3/16	
Number of veins	4	4	3	= 2.6% fibre

A fault zone of sheared serpentine occurs in an outcrop exposed intermittently from 40 to 70 feet south of the best section, but only a few veins at 1/4" and smaller were observed. However, 50 feet further south, the longer fibre again occurs in a small outcrop beneath the road bed. Stithem stated that the best exposure of long fibre occurred at this point, but was covered during the trenching operations. An examination of the sparse outcrops on the old trail 70 feet above this area revealed only serpentine veinlets with no fibre.

A close study of scattered outcrops over a 100 foot length in trench 3, immediately downslope from the best fibre sections in trench 4, indicated a small number of narrow veins of which only several were 1/4" in width. Measurement across a 4 foot section gave these results:

Width of veins	1/16	1/8	1/4		
Number of veins	3	5	3	=	3.25% fibre

Detailed mapping along trench 2 indicated for the most part a small number of veins containing fibre lengths of less than 1/4". Some 600 feet from the south end of trench 2 a cross trail enters from the trench above, exposing a small well mineralized zone. A vein count across 3 feet showed:

Width of veins	1/16	1/8	3/16		
Number of veins	11	12	2	=	7.1% fibre

These narrow veins continued to be fairly plentiful in intermittent exposures along the remaining part of the trench, a distance of some 750 feet to the northward. The fibre rarely exceeds 1/4" in length.

Similar exposures of fibre veins occur in the northernmost 50 feet of trench 1, which terminates opposite trench 2 at its north end.

A few short-fibre veins were observed in the several serpentine outcrops extending for some 360 feet in a northeast direction, downslope from the north end of trench 2 toward the lower road.

A few narrow veins are also reported to occur in other small outcrops below these trenches, and also eastward across Butte Creek valley, on the lower slopes of the mountain opposite.

A bulk sample of 80 lbs. was taken from each of the following sections:

1. the well-fiberized zone at the south end of trench 4,

2. from a zone 110 feet long, beginning 166 feet from the north end of trench 2.

The vein counts and percentages listed above were made only on the better fiberized zones, and are not in any way representative samples. Similarly the bulk samples were taken in the two most favourable locations in order to discern the quality of the fibre.

A traverse was also made to tie in the north edge of the claims with the trenches. The claim outlines as shown on the map are very approximate.