MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2176 Docket No. MME-6311

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [x] 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
- [x] 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
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

PARCEL POST

CONTENTS: MERCHANDISE

RETURN REQUESTED

FROM Calhoun & Howell
Greg. Ltd.,
C/o M.L. Howell
Rt. 3 Box 153
Stockton, Calif.

TO U.S. Dep. of the Interior
Office of Minerals Exploration
Washington, D.C. 20240
(Attn. Acting Director)

Dated Aug. 19, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 24 1964

DATE	INITIALS	CODE
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OME Form 3
June 1963

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

Operator's Copy
withdrawn

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6311	~~Gold~~	14-23-090- 2176	Grant	Oregon

It is agreed NOV 22 1963 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Calhoun and Howell of Oregon, Ltd., an Oregon Partnership

whose mailing address is c/o Melvin Howell, Rt. 3, Box 153, Stockton 5, California, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 1 - 1965 (Date) and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $6,500.00. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 3,250.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

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

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Calhoun & Howell, Oreg. Ltd.
(Operator)

By Melvin L. Howell

Title General Partner

THE UNITED STATES OF AMERICA

By Frank Tunick

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

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

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

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

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
CALHOUN & HOWELL OF OREGON, LTD.
OME-6311

ANNEX I

The land referred to in Article 2 of the contract consists of fourteen (14) unpatented gold placer claims, including all rights pertaining thereto, located along the John Day River, Grant County, Oregon. The claims are recorded in the records of the Grant County Recorder, Canyon City, Oregon, as follows:

1. STAR PLACER CLAIM, Being the West Half of the Northeast Quarter of the Northeast Quarter, section 33, Township 7 South, Range 34 East, W. M. Book "V" Page 528.

2. BLUE JAY PLACER CLAIM, Being the West Half of the Southeast Quarter of the Southeast Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" 528.

3. BLACK HAWK PLACER CLAIM, Being the West Half of the Northeast Quarter of the Southeast Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" 528.

4. MERIDIAN PLACER CLAIM, Being the North Half of the Northwest Quarter of the Southeast Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 528.

5. WEST PLACER CLAIM, Being the North Half of the Northeast Quarter of the Southwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 528.

6. BUCKTAIL PLACER CLAIM, Being the West Half of the Southeast Quarter of the Northwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 527.

7. NORTH PLACER CLAIM, Being the Southeast Quarter of the Northwest Quarter of the Northwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 526.

8. RICHEY PLACER CLAIM, Being the South Half of the Northeast Quarter of the Northwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 526.

9. SOUTH PLACER CLAIM, Being the East Half of the Southeast Quarter of the Northeast Quarter, section 33, Township 7 South, Range 34 East, W. M. Book "V" Page 529. All owned by Calhoun & Howell, Oreg. Ltd.

10. MAHL ASSOCIATION # 1, Being the North Half of the Northwest Quarter of the Southwest Quarter; the Southeast Quarter of the Northwest Quarter of the Southwest Quarter; the Southwest Quarter of the Northeast Quarter of the Southwest Quarter; the West Half of the Southeast Quarter of the Southwest Quarter; the East Half of the Southwest Quarter of the Southwest Quarter; all being in section 34, Township 7 South, Range 34 East, W. M. Book "V" Page 530.

11. MAHL ASSOCIATION CLAIM #2, Being the East Half of the Northwest Quarter; the East Half of the Southwest Quarter; all being in section 3, Township 8 South, Range 34 East, W. M. Book "V" Page 530.

12. MAHL ASSOCIATION CLAIM #3, Being the West Half of the Northeast Quarter of the Northwest Quarter; the East Half of the Northwest Quarter of the Southeast Quarter; the Southeast Quarter of the Southeast Quarter and the West Half of the Northeast Quarter; all being in section 10, Township 8 South, Range 34 East, W. M. Book "V" Page 530.

13. MAHL ASSOCIATION CLAIM # 4, Being the North Half of the Southeast Quarter of the Southeast Quarter of section 10; the Southwest Quarter of the Southwest Quarter of Section 11; the North Half of the Northwest Quarter of the Northwest Quarter of Section 14; the Northeast Quarter of the Northwest Quarter of section 14; all being in Township 8, South, Range 34 East, W. M. All owned by Calhoun & Howell Oreg. Ltd. Book "V" Page 531.

14. ASSOCIATION CLAIM #4, Recorded in Book "33" of the Mining Records of said County at Page 113 thereof, being in the Northwest Quarter of the Southeast Quarter of the Northeast Quarter; the Southeast Quarter of the Northeast Quarter of the Northeast Quarter, section 33, Township 7 South, Range 34 East, W. M. and the Southwest Quarter of the Southwest Quarter of the Northwest Quarter, section 34, Township 7 South, Range 34 East, W. M. As Amended. Containing 15 acres.

The Operator is a partnership organized in Oregon, consisting of Mr. Melvin Howell and Mr. Raymond K. Calhoun as general partners and Mrs. Eleanor Houston and Mr. Glenn R. Houston as limited partners. The partnership owns the claims listed above.

The locations of the claims with reference to section, township, and range are shown on map entitled, "Figure 1, showing Calhoun and Howell of Oregon, Ltd., Placer Claims and Approximate Location of Test Pit Lines . . .," attached hereto and made part hereof.

EXPLORATION CONTRACT
CALHOUN AND HOWELL OF OREGON, LTD.
OME-6311

EXHIBIT A

The purpose of this project is to explore by means of sinking pits for gold concentrations in gravel deposits along the John Day River.

General Provisions

The Government will not participate in the cost of any pit that does not reach bedrock.

The Operator will provide all technical and supervisory services necessary to complete the project in a satisfactory manner.

The location, direction, and extent of all the work shall be subject to Government approval.

Description of the Work

The work shall consist of sinking two or more test pits at intervals of not less than 85 feet, or as mutually agreed upon by the Operator and the Government, along lines normal to the trend of the river. The initial pits will be on lines in secs. 3 and 10, T. 8 S., R. 34 E, and thereafter along lines spaced at approximately 1000-foot intervals up and down river, as shown on Figure 1.

It is estimated that fifty or more pits ranging from three to fourteen feet in depth will be required to explore the project area. The pits may be sunk by using spiling or caissons with a minimum diameter of 3 feet and shall be identified by number in order of completion.

The material from each pit shall be concentrated and an estimate of the gold value per cubic yard of the material from each individual pit shall be calculated.

The Operator shall submit a monthly report which shall include a map or sketch showing the location and depths of the pits completed during the reporting period and the estimated monetary value per cubic yard of the material removed. A representative sample of the gold shall be assayed to establish its fineness after the first few lines of holes have been completed.

The Operator shall keep records of the quantity, fineness, and value of all gold recovered during the project work and such records shall be submitted to the Government at appropriate periods. The fineness of the gold shall be established by a commercial assayer and certificates of such assays shall be sumitted to the Government.

Estimated Cost of Project

Fixed Unit Costs

Excavation of pits aggregating 720 lineal feet @ $9.00/ft.	$6,480.00
Determinations of gold fineness of 10 samples @ $2.00/sample	20.00
Total Estimated Cost of Project	$6,500.00
Government Participation @ 50%	$3,250.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

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

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

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

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

MME Form 51
June 1963

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

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6311	Gold	14-23-090- 2176	Grant	Oregon

It is agreed NOV 22 1963 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Calhoun and Howell of Oregon, Ltd., an Oregon Partnership

whose mailing address is **c/o Melvin Howell, Rt. 3, Box 153, Stockton 5, California**, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 1 - 1965 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $6,500.00. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 3,250.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

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

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Long
App'd. Sol. Off

Calhoun & Howell Oreg. Ltd.
(Operator)

By Melvin L. Howell

Title General Partner

THE UNITED STATES OF AMERICA

By George Immirk Talbot

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

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

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

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

[CORPORATE SEAL]

Murphy
Selfridge
Johnson

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
CALHOUN & HOWELL OF OREGON, LTD.
OME-6311

ANNEX I

The land referred to in Article 2 of the contract consists of fourteen (14) unpatented gold placer claims, including all rights pertaining thereto, located along the John Day River, Grant County, Oregon. The claims are recorded in the records of the Grant County Recorder, Canyon City, Oregon, as follows:

1. STAR PLACER CLAIM, Being the West Half of the Northeast Quarter of the Northeast Quarter, section 33, Township 7 South, Range 34 East, W. M. Book "V" Page 528.

2. BLUE JAY PLACER CLAIM, Being the West Half of the Southeast Quarter of the Southeast Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" 528.

3. BLACK HAWK PLACER CLAIM, Being the West Half of the Northeast Quarter of the Southeast Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" 528.

4. MERIDIAN PLACER CLAIM, Being the North Half of the Northwest Quarter of the Southeast Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 528.

5. WEST PLACER CLAIM, Being the North Half of the Northeast Quarter of the Southwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 528.

6. BUCKTAIL PLACER CLAIM, Being the West Half of the Southeast Quarter of the Northwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 527.

7. NORTH PLACER CLAIM, Being the Southeast Quarter of the Northwest Quarter of the Northwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 526.

8. RIGHT PLACER CLAIM, Being the South Half of the Northeast Quarter of the Northwest Quarter, section 28, Township 7 South, Range 34 East, W. M. Book "V" Page 526.

9. SOUTH PLACER CLAIM, Being the East Half of the Southeast Quarter of the Northeast Quarter, section 33, Township 7 South, Range 34 East, W. M. Book "V" Page 529. All owned by Calhoun & Howell, Oreg. Ltd.

10. MAEL ASSOCIATION # 1, Being the North Half of the Northwest Quarter of the Southwest Quarter; the Southeast Quarter of the Northwest Quarter of the Southwest Quarter; the Southwest Quarter of the Northeast Quarter of the Southwest Quarter; the West Half of the Southeast Quarter of the Southwest Quarter; the East Half of the Southwest Quarter of the Southwest Quarter; all being in section 34, Township 7 South, Range 34 East, W. M. Book "V" Page 530.

11. MAEL ASSOCIATION CLAIM #2, Being the East Half of the Northwest Quarter; the East Half of the Southwest Quarter; all being in section 3, Township 8 South, Range 34 East, W. M. Book "V" Page 530.

12. MAEL ASSOCIATION CLAIM #3, Being the East Half of the Northeast Quarter of the Northwest Quarter; the East Half of the Northwest Quarter of the Southeast Quarter; the Southeast Quarter of the Southeast Quarter and the West Half of the Northeast Quarter; all being in section 10, Township 8 South, Range 34 East, W. M. Book "V" Page 530.

13. MAEL ASSOCIATION CLAIM # 4, Being the North Half of the Southeast Quarter of the Southeast Quarter of section 10; the Southwest Quarter of the Southwest Quarter of Section 11; the North Half of the Northwest Quarter of the Northwest Quarter of section 14; the Northeast Quarter of the Northwest Quarter of section 14; all being in Township 8, South, Range 34 East, W. M. All owned by Calhoun & Howell Oreg. Ltd. Book "V" Page 531.

14. ASSOCIATION CLAIM #4, Recorded in Book "33" of the Mining Records of said County at Page 113 thereof, being in the Northwest Quarter of the Southeast Quarter of the Northeast Quarter; the Southeast Quarter of the Northeast Quarter of the Northeast Quarter, section 33, Township 7 South, Range 34 East, W. M. and the Southwest Quarter of the Southwest Quarter of the Northwest Quarter, section 34, Township 7 South, Range 34 East, W. M. As Amended. Containing 15 acres.

The Operator is a partnership organized in Oregon, consisting of Mr. Melvin Howell and Mr. Raymond K. Calhoun as general partners and Mrs. Eleanor Houston and Mr. Glenn R. Houston as limited partners. The partnership owns the claims listed above.

The locations of the claims with reference to section, township, and range are shown on map entitled, "Figure 1, showing Calhoun and Howell of Oregon, Ltd., Placer Claims and Approximate Location of Test Pit Lines . . .," attached hereto and made part hereof.

EXPLORATION CONTRACT
CALHOUN AND HOWELL OF OREGON, LTD.
OME-6311

EXHIBIT A

The purpose of this project is to explore by means of sinking pits for gold concentrations in gravel deposits along the John Day River.

General Provisions

The Government will not participate in the cost of any pit that does not reach bedrock.

The Operator will provide all technical and supervisory services necessary to complete the project in a satisfactory manner.

The location, direction, and extent of all the work shall be subject to Government approval.

Description of the Work

The work shall consist of sinking two or more test pits at intervals of not less than 85 feet, or as mutually agreed upon by the Operator and the Government, along lines normal to the trend of the river. The initial pits will be on lines in secs. 3 and 10, T. 8 S., R. 34 E, and thereafter along lines spaced at approximately 1000-foot intervals up and down river, as shown on Figure 1.

It is estimated that fifty or more pits ranging from three to fourteen feet in depth will be required to explore the project area. The pits may be sunk by using spiling or caissons with a minimum diameter of 3 feet and shall be identified by number in order of completion.

The material from each pit shall be concentrated and an estimate of the gold value per cubic yard of the material from each individual pit shall be calculated.

The Operator shall submit a monthly report which shall include a map or sketch showing the location and depths of the pits completed during the reporting period and the estimated monetary value per cubic yard of the material removed. A representative sample of the gold shall be assayed to establish its fineness after the first few lines of holes have been completed.

The Operator shall keep records of the quantity, fineness, and value of all gold recovered during the project work and such records shall be submitted to the Government at appropriate periods. The fineness of the gold shall be established by a commercial assayer and certificates of such assays shall be sumitted to the Government.

Estimated Cost of Project

Fixed Unit Costs

Excavation of pits aggregating 720 lineal feet @ $9.00/ft.	$6,480.00
Determinations of gold fineness of 10 samples @ $2.00/sample	20.00
Total Estimated Cost of Project	$6,500.00
Government Participation @ 50%	$3,250.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

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

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

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

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

BANK OF
Eastern Oregon
Head Office—ARLINGTON

THE FRIENDLY HOME-OWNED BANK
Branch at HEPPNER

Heppner, Oregon
September 3, 1963

Mr. Melvin Howell
Dale, Oregon

Dear Melvin:

Thank you for your enquiry on the possibility of a loan for exploration and testing your claim in Grant County in the amount of $5,500.00.

Our bank wouldn't be in any position to make you a committment of this amount and for the purpose state at this time. This is a program that there is no assurance of any income and the only way that we could possibily consider a loan would be that you would have to have collateral, other than mining equipment and claims, that would be acceptable to the bank, and sufficient income from other sources to amortize the loan when it would become due. We would have to consider this a capital loan with the possibility of a loan term work out if you were unable to operate the claim without a reasonable profit at the present time.

Was glad to hear from you and keep me informed as to the progress you are making up there.

Personal regards,

Very truly yours,

Gene Pierce
President

RECEIVED
NOV 1 1963

One copy

Stockton, California
August 20, 1963

Bank of Eastern Oregon
Heppner, Oregon

Attention: Mr. Gene Pierce, Manager

Gentlemen:

We plan to start an exploration and testing program on our placer mining claims in Grant County, Oregon.

In order to carry out this program we wish to borrow $5,500.00 from your bank.

Under what conditions would you consider lending us this amount of money?

Yours truly

Calhoun and Howell of Oregon, Ltd.

by_____

Please address your reply to Mr. Melvin Howell
Dale, Grant Co.
Oregon

RECEIVED
NOV 1 1963

Grant County Bank

JOHN DAY, OREGON
Phone 51 - - Box 456
October 14, 1963

Melvin Howell
Rt.3, Box 153
Stockton, California

Dear Mr. Howell:

Your letter of October 9th received asking for a loan of $5500.00 for the firm of Calhoun and Howell of Oregon,LTD to be used for mining operations on your placer claims in Grant County, Oregon.

Any loan that we would make would have to be secured by acceptable liquid collateral.

We suggest you obtain funds in your own locality where you are known.

Very truly yours,

E. T. Way
Cashier

ETW/ds

RECEIVED
NOV 1 1963

Stockton, California
August 20, 1963

Bank of Eastern Oregon
Heppner, Oregon

Attention: Mr. Gene Pierce, Manager

Gentlemen:

We plan to start an exploration and testing program on our placer mining claims in Grant County, Oregon.

In order to carry out this program we wish to borrow $5,500.00 from your bank.

Under what conditions would you consider lending us this amount of money?

Yours truly

Calhoun and Howell of Oregon, Ltd.

by_____

Please address your reply to Mr. Melvin Howell
Dale, Grant Co.
Oregon

RECEIVED
NOV 1 1963

FIRST NATIONAL BANK OF OREGON
PORTLAND

PENDLETON BRANCH, 245 MAIN STREET, PENDLETON, OREGON

September 3, 1963

Mr. Melvin Howell
Calhoun & Howell of Oregon, Ltd.
Dale, Grant County, Oregon

Dear Mr. Howell:

We have your letter of August 20, wherein you request information as to what would be required of you to borrow $5,500 from our bank to carry on your exploration and testing program on your placer mining claims in Grant County, Oregon.

We would first of all require a current financial statement which would support the amount of loan requested as well as an earnings estimate which would show that the loan could be repaid within a reasonably short period.

We very seldom entertain loan applications from areas outside our immediate trading area, and, unless there are extenuating circumstances which are unknown to us at this time, it would appear that we would be unable to honor your loan request.

Very truly yours,

R. D. McCurdy
Vice President & Manager

RDM:bbe

RECEIVED
NOV 1 1963

O.M.E. copy

Stockton, California
August 20, 1963

First National Bank of Portland
Pendleton Branch
Pendleton, Oregon

Gentlemen:

We plan to start an exploration and testing program on our placer mining claims in Grant County, Oregon.

In order to carry out this program we wish to borrow $5,500.00 from your bank.

Under what conditions would you consider lending us this amount of money?

Yours truly

Calhoun and Howell of Oregon, Ltd.

by_____

Please address your reply to Mr. Melvin Howell
Dale, Grant Co.
Oregon

RECEIVED
NOV 1 1963
WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
June 17, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED 20
DATE | INITIALS

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME Application
Calhoun & Howell of Oregon Ltd. (Gold-Silver)
Star Placer, et al., Claims
Grant County, Oregon

Enclosed is a copy of an application to explore for gold and silver in Grant County, Oregon. The applicant has included an areal map on which he indicated the portion of the John Day River in which he proposes to put down test pits but has not included a claim map. From the metes and bounds given in his list of claims I have added to this map with reasonable accuracy the claims and outlined them in blue so as not to confuse the applicant's red tick marks which indicate the general location of his proposed rows of test pits. Even though the map may be slightly inaccurate there are five areas that are definitely not adequately covered and possibly three more as follows:

Definite gaps:

1. N½NW¼NW¼ sec. 28, T. 7 S., R. 34 E. Yes
2. NW¼NE¼NW¼ do. Yes
3. NW¼SE¼NE¼ sec. 33, do. Yes
4. NE¼NE¼SE¼ do. Yes
5. SW¼SW¼NW¼ sec. 34, do. Yes

Possible gaps:

6. SE¼SE¼NW¼ sec. 28, T. 7 S., R. 34 E. Yes
7. SW¼NW¼SW¼ sec. 34 do. Yes
8. SE¼SE¼SW¼ do. Yes

Note: See Murphy's check map attached to tracing for location of applicant's list of land and the above areas

As these things are tricky to work out for plotting, I would prefer that my results be checked before writing to the applicant requesting him to obtain any additional ground.

The value of the bank letters is questionable in view of their statement to the effect that because the project is outside of their area and because no financial exhibits were presented the requests are denied.

The applicant's statement regarding production above and below the area in which he proposes to explore would appear to indicate that his proposal is reasonable and justified. The claim area as I have outlined it on the applicant's map embraces about 5 miles or 26,400 feet of stream bed. At the proposed line interval of 1,000 feet, 27 lines of holes would be required. He estimates a total of approximately 50 pits will be required, or 1.8 say 2 pits per line. With the width of gravel deposits ranging from 100 to 400 feet, it would probably be more realistic to estimate an average of 3 pits per line, about 75 to 100 feet apart or a total of 81 pits.

If the applicant can secure the apparently necessary ground to cover the area adequately, it is recommended that the application be approved.

COSTS

In general the costs are not too far out of line, however, as the applicant owns a 2-inch pump which he avers is in good condition and is worth two-thirds of the price of a new one, I see no need for the second pump. The degree of wear on new tires in 4 months is difficult to determine, but I do not believe the Government should contribute to their purchase. Also, the fairness of the Government contributing to the purchase of a trailer house and a tent is questionable. The population of Dale, 20 miles from the property, is not given by Rand McNally and is doubtless small. Therefore, a camp is probably justified. On the basis of 3 men for a 30-day month, the applicant's estimate of $1,440 for food is the equivalent of $4.00 per man per day and is reasonable. To set up a unit cost contract, the following is recommended:

27 rows of pits, each row to contain 2 or more pits spaced 75 to 100 feet apart, depending upon the width of gravel; total number of pits not to exceed 80. Pits to be 3 by 5 feet in section and up to 15 feet deep, the average depth of all pits not to exceed 9 feet, total 720 lineal feet of pit. At an average rate of three-fourths pit per day, estimated time required: 107 days, say 3.5 months of 30 days. Average pit volume 3' x 5' x 9' = 135 cu. ft. or 5 cu. yds.

1. Independent Contracts — None

2. Labor and Supervision

Supervisor - $16.66/day	$16.66	
2 laborers at $14.66/day	29.32	
	$45.98	
FICA and other insurance at 15%	6.90	
	$52.88	
at ~~3~~ 9' ~~on 6.75 ft~~/day = ~~$7.824~~	say	$5.87 ~~$7.82~~/ft

3. Operating Materials and Supplies

From 7(c) in application	$600.00	
at 720 lin ft of pit: $0.833	say	$0.83/ft

4. Operating Equipment

Owned by Applicant	Present fair market value	Monthly depreciation
Dodge power wagon 4-WD	$ 750	$12.50
Studebaker truck w/winch	1,250	20.83
2" pump w/hoses	200	3.33
1 set caissons w/windlass and bucket	150	2.50
Portable testing plant	250	4.17
No. 10 cat.	750	12.50
Tires for power wagon and truck	150	2.50
Trailer house	500	8.33
Tent w/floor	250	4.17
		$70.83 × 3.5 months

$247.90 at 720 lin ft of pit: ~~$0.098~~ $0.344 say $0.35 ~~$0.10~~/ft

5. and 6. — None

7. Miscellaneous

Food: 3 men for 4 mos of 30 days
= ~~360~~ 240 man days

$1440 = $4/man day - ~~$1,440~~ $960
~~360~~ 240

at 720 lin ft of pit: ~~$2.00/ft~~ $1.33

Transportation of supplies
and equipment - $345

at 720 lin ft of test pits: $0.479 say $0.48/ft ~~$2.48~~ 1.81/ft

Total ~~$11.25~~

Cost of 720 lin ft of test pit (depth) $8,085.60

Government's participation at 50% $4,042.80

$8.86/ft
$9.00
say
allowing 16¢
extra for
supplies

If purchase of tires at no salvage, and purchase of trailer and tent with 50% reduction in cost in lieu of salvage, the total cost per foot would be $11.94 and:

Cost of 720 lin ft of test pit
would be: $9.00 ~~$8,596.80~~ $6480.00

Government participation at 50%
would be: $4,298.40 $3240.00

D. R. MacLaren

Enclosures

Distribution:
OME(3)
USGS(SRO)
Docket
MacLaren

Stockton, California
June 12, 1963

Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Attention: D. R. MacLaren,
Acting Field Officer

Gentlemen:

Enclosed is our application for financial assistance in minerals exploration, MME Form 40, submitted in duplicate.

The total estimated cost of performing the work outlined in the application is $11,100.00, including an allowance for partners salaries and a rental allowance for owned equipment.

It is our understanding that if the application is approved the government will reimburse us for one half of all acceptable expenses incurred.

If further information is necessary will you please advise as soon as possible since we are very anxious to commence operations during the summer months when the water is low.

Very truly yours

Calhoun and Howell of Oregon, Ltd.

By /S/ Melvin Howell
Partner

MME Form 40
July 1962

RECEIVED
JUN 13 1963
U.S. L.M.O.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval Expires Dec. 31, 1963

OFFICIAL FILE COPY
RECEIVED JUN 20 1963
O. M. E.
DATE INITIAL

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.)*

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6311

DATE RECEIVED: 6-20-63

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: Oregon

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Melvin Howell	Rt. 3 Box 153, Stockton, Cal	General Partner
Raymond K. Calhoun	P. O. Box 25, Dale, Grant Co. Oregon	" "

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

ESTIMATED COST OF PROJECT: $ 11,100.00 - See Summary

PROPERTY NAME	LOCATION COUNTY	STATE
Star Placer Claim and Others	Grant	Oregon

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

DATED

Melvin R. Howell
BY *(Signature)*

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-[illegible] SEC., WASH., D.C.11879

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton, California

Summary of Costs

Supervisor	$ 1,500.00
Assistant Supervisor	1,500.00
Laborers	2,640.00
Fuel	350.00
Picks and shovels	150.00
Small tools	100.00
Pump	300.00
Rental Value of Caterpillar	392.00
Rental Value of owned equipment	1,000.00
Tires	150.00
Trailer House	500.00
Tent	250.00
Workmens compensation insurance	250.00
Map Making	100.00
Payroll taxes	132.50
Food	1,440.00
Transportation	345.50
Total Cost	$11,100.00

Approximate cost per unit for fifty test pits will be $222.00.

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

1. (a) Letters - Farmers and Merchants Bank, Lodi, California
Bank of Eastern Oregon ?

(b) None

(c) By furnishing equipment and labor of one man. Not enough

2. (a) Owner of unpatented mining claims - see attached description of claims.

(b) See attached schedule.

(c) None

3. (a) There has been extensive hydraulic and hand mining operations along the high bars in the river bottom. Maps and sketches attached.

(b) None

(c) None available

(d) None

(e) Placer deposits along the bed of the river. Ore minerals include gold, silver and platinum.

(f) The former operations of Calhoun and Howell or Oregon, Ltd., were directly below the western boundary of these claims with the main operation terminating approximately three miles downstream. The former operation was dredging for gold and silver which produced $194,782.69 in approximately five miles of dredging. The number of fine ounces of gold totaled 5,567.89 and silver was 1,176.82.

Farther below this production area Ralph Davis, Inc., mined approximately $76,000.00 in gold in about one and three-fourths miles of dredging.

On the upper side of these claims Porter Brothers of Spokane conducted a bucket line dredge operation for several years. Results are not known by us.

There are also numerous lode mines in the area above these claims, and one, the Buffalo, is still operating.

No sampling has been made of the placer deposit by us.

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

(g) None Available

4. (a) Either Raymond Calhoun or Melvin Howell will meet OME representative by appointment in Dale, Oregon.

(b) Dale, Oregon - twenty miles from the claims.

5. (a) We propose to commence sinking a line of from two to four test pits near the upper end of the property in Section 10, Township 8 S, Range 34, E.W.M. On the river bed above the Glade Creek workings and at approximately 1000 foot intervals thereafter downstream to a point just below the Ryder Hydraulic workings in section 28, township 7 S., range 34 E.W.M.

The number of test pits per line will depend upon the width of the gravel deposit in the river bottom. The width of the gravel deposit varies from one hundred to four hundred feet.

The test pits will be three feet by five feet and will extend down to bed rock, varying from three to fourteen feet below the surface.

It is expected that there will be approximately fifty test pits along the river bottom.

(b) There is an existing temporary access road suitable for the exploration work extending in to this property.

(c) Work will be started immediately upon receipt of an OME contract and will be finished by November, 1964. The average amount of time required to complete one pit is one day during the low water season.

6. The operation will be under the supervision of both partners Calhoun and Howell.

Melvin Howell started in placer mining in 1933 and Raymond Calhoun started in 1934. Both were actively engaged in it until 1939 as employees and from 1939 to 1941 as partners. They worked in both exploration and mining operations.

After the termination of World War II the partners did exploration work in this general area, built a dredge, and in 1947 resumed the operations described in paragraph 3 (f). In the early months of 1950 operations at that location were discontinued because the operating cost for the type of equipment used became too high to produce a profit.

It is the opinion of the partners that by using a dry bank plant instead of a floating washing plant that operating costs will be considerably reduced under costs formerly incurred, and by using jigs instead of riffles and tables that recovery of gold will be increased over former methods used. The resulting increased recovery and decreased costs are expected to make this a profitable operation.

The purpose of this exploration project is to determine the mineral value per cubic yard and to determine the number of cubic yards in the deposit.

7. (a) None

(b) Supervisor - $500.00 per month for three months.
Labor - 2 men at $440.00 per month each for three months.
Assistant supervisor - one of the partners - to be furnished by the partnership. Value of services $500.00 per month for three months.
Laborers are available.

(c)	Fuel for trucks, pumps, and caterpillar	$ 350.00
	Picks, shovels and hoses	150.00
	Small tools, and miscellaneous supplies	100.00
(d)	Pump, 2 inch, self-priming, gasoline powered - to be purchased	300.00
	Dodge power wagon, 4 wheel drive presently owned by partners. In good condition - fair market value	750.00
	Studebaker truck with attached winch - presently owned. In good condition - fair market value	1,250.00
	Two inch self priming pump and hoses, presently owned. In good condition - fair market value	200.00
	Set of Caissons and windlass and bucket, presently owned. In good condition - fair market value	150.00
	Portable testing plant - presently owned. In good condition - fair market value	250.00
	Caterpillar D-7, bulldozer. To be furnished by partners for past services to the owner. Fair rental value for approximately one week	392.00
	No. 10 Caterpillar tractor presently owned by partners Fair market value	750.00
(e)	Tires for power wagon and truck	150.00

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

(f)	Trailer house - used - for use as kitchen and office. To be purchased	$ 500.00
	Tent for sleeping quarters. To be purchased. (Including wood floor)	250.00
(g)	Workmens compensation insurance	250.00
	Map making	100.00
	Payroll taxes	132.50
	Food for employees and partners	1,440.00
	Transportation of caterpillar, house trailer and supplies	345.50

FIRST NATIONAL BANK OF OREGON
PORTLAND

PENDLETON BRANCH. 245 MAIN STREET. PENDLETON. OREGON

1. (a)

June 7, 1963

About 40 miles north of property on US. 395 road

Calhoun & Howell of Oregon, Ltd.
Route #3, Box 153
Stockton 5, California

Gentlemen:

We have your letter of May 14 requesting a commitment from us for $5,000 for exploration and testing work on your mining claims in Grant County.

Since the apparent location of your claims is out of our immediate territory and since you did not furnish financial exhibits to support your request for a loan in this amount, I am sorry that we must decline your application. ?

Very truly yours,

R. D. McCurdy
Vice President & Manager

RDM:bbe

1. (a)

FARMERS & MERCHANTS BANK

OF CENTRAL CALIFORNIA

CORNER OF SCHOOL AND ELM STREETS - P. O. BOX 360

LODI, CALIFORNIA

May 17, 1965

Calhoun and Hazwell
706 Holly Drive
Lodi, California

Gentlemen:

This is an answer to your application for $5,000 in loan funds to invest in a mining venture near Pendleton, Oregon.

We are sorry but this bank is not interested in advancing funds on gold mining operations for several reasons, one of which is that the labor factor is too high in respect to the price of gold.

We should also state that we do not loan funds for use outside of our immediate banking vicinity.

Yours very truly,

C. A. Wishek
Cashier

CAW:eq

Bank of account

1.(a)

Route 3 Box 153
Stockton, California
May 14, 1963

First National Bank of Portland
Pendleton Branch
Pendleton, Oregon

Gentlemen:

We are attempting to obtain funds to conduct exploration and testing work on our mining claims in Grant County, Oregon with a view toward reopening the gold dredge operation there.

If we are not successful in obtaining a loan of approximately $5,000.00 from banking sources to carry out the testing work we shall endeavor to obtain a government loan for this purpose.

Will you please indicate your willingness to grant such a loan and the terms for interest and repayment.

Respectfully requested,

Calhoun and Howell of Oregon, Ltd.
Rt. 3 Box 153
Stockton 5, California

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

2. (b) Description of Claims

STAR PLACER CLAIM, Being the West Half of the Northeast Quarter of the Northeast Quarter, Section 33, Township 7 South Range 34 E. W. M. Book "V" Page 528.

BLUE JAY PLACER CLAIM, Being the West Half of the Southeast Quarter of the Southeast Quarter, Section 28, Township 7 South Range 34 E. W. M. Book "V" Page 528.

BLACK HAWK PLACER CLAIM, Being the West Half of the Northeast Quarter of the Southeast Quarter, Section 28, Township 7 South Range 34 E. W. M. Book "V" Page 528.

MERIDIAN PLACER CLAIM, Being the North Half of the Northwest Quarter of the Southeast Quarter, Section 28, Township 7 South Range 34 E.W.M. Book "V" Page 528.

WEST PLACER CLAIM, Being the North Half of the Northeast Quarter of the Southwest Quarter, Section 28, Township 7 South Range 34 E.W.M. Book "V" Page 528.

BUCKTAIL PLACER CLAIM, Being the West Half of the Southeast Quarter of the Northwest Quarter, Section 28, Township 7 South Range 34 E.W.M. Book "V" Page 527.

NORTH PLACER CLAIM, Being the Southeast Quarter of the Northwest Quarter of the Northwest Quarter, Section 28, Township 7 South Range 34 E.W.M. Book "V" Page 526.

RIGHT PLACER CLAIM, Being the South Half of the Northeast Quarter of the Northwest Quarter, Section 28, Township 7 South Range 34 E.W.M. Book "V" Page 526.

SOUTH PLACER CLAIM, Being the East Half of the Southeast Quarter of the Northeast Quarter, Section 33, Township 7 South Range 34 E. W. M. Book "V" Page 529.
All Owned by Calhoun & Howell, Oreg. Ltd.

MAEL ASSOCIATION # 1, Being the North Half of the Northwest Quarter of the Southwest Quarter; the Southeast Quarter of the Northwest Quarter of the Southwest Quarter; the Southwest Quarter of the Northeast Quarter of the Southwest Quarter; the West Half of the Southeast Quarter of the Southwest Quarter; the East Half of the Southwest Quarter of the Southwest Quarter; all being in Section 34, Township 7 South Range 34 E. W. M. Book "V" Page 530.

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

2. (b) Description of Claims continued.

MAEL ASSOCIATION CLAIM # 2, Being the East Half of the Northwest Quarter; the East Half of the Southwest Quarter; all being in Section 3, Township 8 South Range 34 E. W. M. Book "V" Page 530.

MAEL ASSOCIATION CLAIM # 3, Being the East Half of the Northeast Quarter of the Northwest Quarter; the East Half of the Northwest Quarter of the Southeast Quarter; the ~~Northeast Quarter~~ Southeast of the Southeast Quarter; and the West Half of the Northeast Quarter; all geing in Section 10, Township 8 South Range 34 E. W. M. Book "V" Page 530.

MAEL ASSOCIATION CLAIM # 4, Being the North Half of the Southeast Quarter of the Southeast Quarter of Section 10; the Southwest Quarter of the Southwest Quarter of Section 11; the North Half of the Northwest Quarter of the Northwest Quarter of Section 14; the Northeast Quarter of the Northwest Quarter of Section 14; all being in Township 8, South Range 34 E. W. M. All Owned by Calhoun & Howell Oreg. Ltd. Book "V" Page 531.

add Association claim #4.
(See description in applicants letter of July 3, 1963.)

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/25		110
		220

MAY 25 1967

Mr. Robert H. Remaklus
Attorney at Law
Cascade, Idaho 83611

Re: OME-6311 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon
Proposed Contract 2176

Dear Mr. Remaklus:

Your letter of May 18, 1967, to our Spokane, Washington office, requesting the status of the application of Calhoun and Howell, has been referred to this office for reply.

The copy of a proposed contract sent to Calhoun and Howell was returned in response to our letter to them of July 17, 1964. The offer of a contract was cancelled and their application placed in our inactive files.

In order to reopen this case, it would be necessary to file a new application and submit the required supporting data.

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
OME Region I

FEJohnson /bih 5/25/67

23263

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	5/22/67	
Re: OME-6311 (Gold)		
2. Calhoun & Howell of Oregon, Ltd.		
Star, et al., Placer Claims		
3. Grant County, Oregon		
Proposed Contract 2176		
4. M. L. Smelser		
M. L. Smelser for		
5. D. R. MacLaren		
FROM: Field Officer, OME, Reg. I		

FOR: Check items for action desired

X Action	Reply for signature of	
Approval	Investigate	Surname
Comment	Recommendations	Signature
Conference	Rewrite	File
Instructions	Your information	

REMARKS: Attached is a Thermo-Fax copy of a letter received from the representative of Calhoun & Howell for your reply. Our records show that the last piece of correspondence from your office to Calhoun & Howell was dated July 17, 1964, not June 17, 1964.

ROBERT H. REMAKLIUS
ATTORNEY AT LAW
CASCADE, IDAHO 83611

May 18, [illegible]

Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME-631[illegible]
Calhoun [illegible] Oregon Ltd.
Star, et al, [illegible] claims
Grant County, Oregon

Gentlemen:

This office represents Calhoun [illegible] with reference to the above mining claims. [illegible] advise the status of OME loan application. Documents [illegible] to me disclose the date of last communication [illegible] the Washington office as June 17, 1964.

Very truly yours,

/s/ Robert H. Remaklius

Robert H. Remaklius

bb

RECEIVED
MAY 2 2 [illegible]

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/25	J Jones	110
	On leave	130 ~~220~~
8/26	Talbot	800
		100
		220

AUG 26 1964

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Exploration Operations

Subject: OME-6311 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon
Proposed Contract 2176

In accordance with our letter of July 16, 1964, Calhoun and Howell of Oregon, Ltd. returned the Operator's copy of the proposed contract to the Washington, D. C. office.

We consider the contract as being cancelled and are placing it in our inactive file, therefore, will you kindly destroy your two copies of the proposed contract.

FMM

FMMurphy/cac
August 25, 1964

cc: Director's reading file
Review Committee
120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/14	Selfridge	120
7/14	Murphy	120M
7/14	Talbert	800
		220
7/16	Long	140
	Appl. wh. file	~~120~~
7/17	Johnson	110
		100
7/17	Gee	220
		120M

RECEIVED
1 [illegible] 1964
ASSISTANT SOLICITOR
MINERAL RESOURCES

JUL 17 1964

AIRMAIL

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3, Box 153
Stockton 5, California

INTERIOR DEPT.
JUL 15 1964
SOLICITOR

Re: OME-6311 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon
Proposed Contract 2176

Gentlemen:

The date of July 1, 1965 for starting the work has been inserted in Article I (a) of the proposed subject contract although completion of the work is scheduled for 12 months from the date of the contract, or November 22, 1964. Under the circumstances, we cannot accept the document as a contract as it does not meet the intent for which it was drawn.

As Mr. MacLaren pointed out in his letter of January 7, 1964, to Mr. Howell, your applicati n contained an estimate for approximately 50 test pits to be completed at the rate of one a day during the low water season. He explained that the 12-month period was based upon this estimate with the realization that work could not be started until the 1964 season and that, if necessary, an extension of the time for completion of the work could be authorized by an amendment at the end of the work season. He did not mention, however, that the application also stated that the work would be started immediately upon receipt of an OME contract and would be finished by November 1964, a period of 18 months at most as the application was not submitted until June 1963. The usual period granted for completing the work under an OME contract is two years. Will you therefore please return the Operator's copy of the proposed contract.

We shall gladly offer you a new proposed contract when you are sure of the date work will be started on receipt of an executed MME Form 40 - Application for Financial Assistance in Minerals Exploration, in duplicate, and new bank letters as stipulated in Item 1 on the back thereof, other matters remaining the same.

GCSelfridge/gla (7-14-64)
cc to: Director's Reading File
Docket
Region I
CA&A Division
Mr. Selfridge

Sincerely yours,

George Fumich, Jr. (gla)

Acting Director

23263

7-2-64 (Mr. Johnson & Selfrdige say)

No Press release - something to be straightened out about starting time.

AXXXXXXXK073

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 29 1964

DATE	INITIALS	CODE
		500

AXXXXXXXK074

AXXXXXXXK075

XDXXXXXXK076

FWB-043

SF042 WWAF FSP 08 I-MME

SPOKANE WASH 6-29-64 0949U

MR GEORGE C SELFRIDGE CHIEF

DIV OF FIELD OPRMS OFFICE OF MINERALS EXPLORATION WASHINGTON DC

RE OME-6311(GOLD) CALHOUN AND HOWELL OF OREGON, LTD. STAR, ET AL.,

~~PLACER~~ Placer CLAIMS SIGNED CONTRACT RECEIVED THIS OFFICE JUNE 29, 1964

M L SMELSER FOR D R MACLAREN ACT FIELD OFCR OME REGION 1

OME-6311 29 1964

BJR 0952U

JUN 29 1 21 PM '64
GS
COMMUNICATIONS

REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, Div. of Fld. Operations	6/29/64	
	Re: OME-6311 (Gold)		
2.	Calhoun & Howell of Oregon, Ltd.		
	Star, et al., Placer Claims		
3.	Grant County, Oregon		
	Contract 2176		
4.	M. L. Smelser		
	M. L. Smelser		
5.	For: D. R. MacLaren		
FROM:	Acting Fld. Offr., Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: It is noted that Mr. Howell has inserted in Article 1(a) that work shall begin on or before 7/1/65, etc. This matter will be referred to Mr. MacLaren upon his return to the office 7/13 so that the proposed amendment extending the completion date to 24 mos. mentioned in your memo of 1/8 and Mr. MacLaren's letr. of 1/7 (discussed by telephone with you) to Mr. Howell can be prepared in this office.

One

P.O. Box 153
Stockton, Calif
June 24 - 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 1 1964

DATE	INITIALS	CODE

Mr. D. S. MacKinnon
Acting Field Officer, I.N.S.
Los Angeles

Dear Mr. MacKinnon:

Enclosed please find the [illegible] copies of the bill [illegible] pending [illegible] we [illegible] have the [illegible] become effective July 1 - 1965

Thanking you for your cooperation in this matter I am,

Very truly yours,

Calhoun - Stowell, Orig Sta
By Michael L Stowell
General Partner and Mgr.

RECEIVED
JUN 29 1964
O.M.E.
SPOKANE, WASHINGTON

UN[illegible]
DEPARTME[illegible]

JAN 8 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6311 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon
Proposed Contract 2176

This is with reference to the Applicant's letter of December 30, 1963, returning the subject proposed contract to your office. Your secretary forwarded a copy of the letter to this office.

It is suggested you prepare an amendment to the contract extending the completion date to 24 months and then remail the contract along with the amendment for execution by the Applicant. It is within your delegated authority to execute such an amendment.

The request for additional time is proper due to not being able to begin the work in 1963. The Applicant presumably expected to start work during the summer of 1963 and according to Item 5(c) of the application, to complete the work in November 1964. Therefore, extending the completion date 12 months should make up for the lost 1963 summer.

We would not agree to increase the unit cost of $9.00 per foot for the test pits.

/s/ George C. Selfridge

Deferred Howell arriving 1/20/64 He will think the deal over

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, Div. of Fld. Operations	6/29/64	
2.			
3.			
4.	M. L. Smelser		
5.	M. L. Smelser for D. R. MacLaren		

FROM: Acting Fld. Officer, Reg. I

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 1 1964

DATE	INITIALS	CODE
		500

FOR: Check items for action desired

X	Action		Reply for signature of		
	Approval		Investigate		Surname
	Comment		Recommendations		Signature
	Conference		Rewrite		File
	Instructions		Your information		

REMARKS: OME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon
Contract 2176

Transmittal of the Gov't., Audit, and Fiscal Section's copies of the above-cited contract.

OME

OME Docket copy

~~170~~

500

~~800~~

~~120~~

220

500

No. 157 Howard Street
Spokane, Washington 99204

Air Mail

MAY 1 2 1964

Mr. Melvin L. Howell
Route 3, Box 153
Stockton, California

Re: OME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

This is in reference to our letter of March 2, 1964, to which we have received no reply.

It is the desire of OME to give each Applicant ample time to consider the proposed contract, but the funds that are set aside for that contract cannot be held indefinitely.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Should we not receive a reply within 60 days, we will have no recourse but to consider the proposed contract as voided.

Sincerely yours,

/s/

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:nls

cc: OME
MacLaren

Director's Reading File
Resources Research Branch Chief

MME FORM 6 REFERENCE SLIP
REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Fld. Operations	5/ 8/64	
2.		
3.		
4.		
5. D. R. MacLaren		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS:

OME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

If you concur with the attached, please date for mailing to Applicant and return our yellow carbon for filing.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/7	Murphy	500
1/7	[illegible]	800
	[illegible]	130
1/8	Johnson	110
	[illegible]	100
1/8	[illegible]	220
		500

JAN 8 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6311 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon
Proposed Contract 2176

This is with reference to the Applicant's letter of December 30, 1963, returning the subject proposed contract to your office. Your secretary forwarded a copy of the letter to this office.

It is suggested you prepare an amendment to the contract extending the completion date to 24 months and then remail the contract along with the amendment for execution by the Applicant. It is within your delegated authority to execute such an amendment.

The request for additional time is probably due to not being able to begin the work in 1963. The Applicant presumably expected to start work during the summer of 1963 and, according to Item 5(c) of the application, to complete the work in November 1964. Therefore, extending the completion date 12 months should make up for the lost 1963 summer.

We would not agree to increase the unit cost of $9.00 per foot for the test pits.

George C. Selfridge (gla)

MacLaren's 3/2/64 ltr in which he requests Applicant's attention to unsigned contract not in file.

43683

Owe

OFFICIAL
RECEIVED 9
DATE

1/9 Inquiry +20 500

So. 157 Howard Street
Spokane, Washington 99204
January 7, 1964

Air Mail

Mr. Melvin L. Howell
Route 3, Box 153
Stockton, California

Re: OME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

I have discussed with our Washington, D. C. office your reasons for not signing the proposed OME contract.

In your application under item 5(a) you estimate that approximately 50 test pits will be required and under item 5(e) that the average time required to complete one pit is one day during the low water season. The 12-month period for completion of the work was based upon this estimate and the realization that work could not start before next season. Should the estimate turn out to be optimistic or the working season be unusually short, an extension of the time for completion could be authorized by an amendment at the end of the work season.

In order to change the estimated unit price of $9.00 per foot, OME would require a stronger justification than the phrase "due to the conditions under which we must operate."

As you say that the terms are acceptable and as the time for completion of the work will present no problem if additional time is necessary, I am returning the original and four copies of the proposed contract for your further consideration. If the contract is still not satisfactory, kindly return all copies unsigned.

Sincerely yours,

D. H. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DHMacLaren:mls

cc: OME
MacLaren

Director's Reading File
Resources Research Branch Chief

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, Div. of Fld. Operations	DATE	INITIALS
1.	1/ 3/64	
Re: OME-6311 (Gold)		
2. Calhoun & Howell of Oregon, Ltd.		
Star, et al., Placer Claims		
3. Grant County, Oregon		
4. Mary L. Smelser		
Mary L. Smelser		
5. For: D. R. MacLaren		
FROM: Acting Fld. Offr., Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Attached are two Thermo-Fax copies of a letter 12/30/63 from Melvin Howell in regard to returning the proposed contract unsigned. This matter will be referred to Mr. MacLaren upon his return to the office on Jan. 6.

Stockton, California
December 30, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 6 1964
DATE | INITIALS | CODE
1/7 | Murphy | 500

Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Attention: D. R. McLaren
Acting Field Officer

Gentlemen:

This will acknowledge receipt of the contracts mailed to us on November 26, 1963.

We feel the time limitation placed on us of twelve months from November 22, 1963, to complete the project is too restrictive. We request that the time allowed be extended to thirty-six months to allow us time to properly explore because there are only two months out of the year which permit testing operations.

We also feel that the nine dollars per foot estimated is too low due to the conditions under which we must operate, however we will accept the terms as they are already stated.

In accordance with your instruction we are returning herewith all copies of the unsigned contract.

Respectfully

Calhoun and Howell of Oregon, Ltd.

By /s/ Melvin Howell

DEC 26 1963

120

~~12/26 Murphy~~ 500

No. 157 Howard Street
Spokane, Washington 99204
December 23, 1963

Air Mail

Mr. Melvin L. Howell
Route 3, Box 153
Stockton, California

Re: OME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

On November 26, 1963, the original and four copies of a proposed contract for the subject project was forwarded to you for signature.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME
MacLaren

Director's Reading File
Resources Research Branch Chief

MLSnelger:mls

So. 157 Howard Street
Spokane, Washington 99204
November 26, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 29 1963
DATE INITIALS CODE
12/2 800
500

Mr. Melvin L. Howell
Route 3, Box 153
Stockton, California

Re: OME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

Enclosed are the original and four copies of a proposed contract for the subject project. The contract consists of OME Form 31 (5 pages), Annex I (3 pages), Exhibit A (2 pages), Exhibit B (1 page), and one map (figure 1). All copies have been signed by the Acting Director for the Government.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

The 6¼ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

Enclosures

Director's Reading File
Resources Research Branch Chief

cc: OME
Maclaren

MLSmelser:mls

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/21	Murphy	500
11/21	O'Leary	500
11/21	Falkiff	800
	[illegible]	130
11/21	[illegible]	110
"	[illegible]	100
11/22	COC	220
		500

NOV 22 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6311 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Enclosed are the original and four copies of a proposed contract for the subject project. The contract consists of MME Form 51 (5 pages), Annex I (3 pages), Exhibit A (2 pages), Exhibit B (1 page), and 1 map (Figure 1). An extra copy of the contract is also enclosed for field use. All copies have been signed by the Acting Director for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6¼ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

George C. Selfridge (gfa)

Enclosures

EMerrithew/mm
11/21/63

cc: Director's Reading File
Review Committee
Docket

43683

DMEA FORM 6 REFERENCE SLIP

REV. 1[redacted]56 DEFENSE MINERALS EXPLORATION ADM[redacted]STRAT[redacted]

TO:	INITIALS	DATE
1. Associate Solicitor, [redacted]	RWL	11-15
2. F. M. Murphy, 4455		
3.		
4.		
5.		
FROM: F. M. Murphy		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

X Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INTERIOR DEPT.
NOV 13 1963
SOLICITOR

FROM SOLICITOR

NOV 15 1963

FOR SIGNATURE

DRAFT FMMurphy/mm
11/7/63

~~800~~
~~120~~
500

MME Form 51
June 1963

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

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6311	Gold	14-23-090-	Grant	Oregon

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Calhoun and Howell of Oregon, Ltd., an Oregon Partnership

_____,

whose mailing address is **c/o Melvin Howell, Rt. 3, Box 153, Stockton 5, California**, hereinafter called the "Operator," as follows:

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

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is **$6,500.00**. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of **$3,250.00** in accordance with the provisions of Articles 4 and 5.

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

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

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

None

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

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By_____

By_____

Title_____

I,_____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

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

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

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

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

DRAFT FMMurphy/mm
11/6/63

EXPLORATION CONTRACT
CALHOUN and HOWELL OF OREGON, LTD.
OME-6311

ANNEX I

The land referred to in Article 2 of the contract consists of fourteen (14) unpatented gold placer claims, including all rights pertaining thereto, located along the John Day River, Grant County, Oregon. The claims are recorded in the records of the Grant County Recorder, Canyon City, Oregon, as follows:

1. STAR PLACER CLAIM, Being the West Half of the Northeast Quarter of the Northeast Quarter, Section 33, Township 7 South, Range 34 E. W. M. Book "V" Page 528.
2. BLUE JAY PLACER CLAIM, Being the West Half of the Southeast Quarter of the Southeast Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" Page 528.
3. BLACK HAWK PLACER CLAIM, Being the West Half of the Northeast Quarter of the Southeast Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" 528.
4. MERIDIAN PLACER CLAIM, Being the North Half of the Northwest Quarter of the Southeast Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" Page 528.
5. WEST PLACER CLAIM, Being the North Half of the Northeast Quarter of the Southwest Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" Page 528.
6. BUCKTAIL PLACER CLAIM, Being the West Half of the Southeast Quarter of the Northwest Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" Page 527.

7. NORTH PLACER CLAIM, Being the Southeast Quarter of the Northwest Quarter of the Northwest Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" Page 526.

8. RIGHT PLACER CLAIM, Being the South Half of the Northeast Quarter of the Northwest Quarter, Section 28, Township 7 South, Range 34 E. W. M. Book "V" Page 526.

9. SOUTH PLACER CLAIM, Being the East Half of the Southeast Quarter of the Northeast Quarter, Section 33, Township 7 South, Range 34 E. W. M. Book "V" Page 529.

All owned by Calhoun & Howell, Oreg. Ltd.

10. MARL ASSOCIATION #1, Being the North Half of the Northwest Quarter of the Southwest Quarter; the Southeast Quarter of the Northwest Quarter of the Southwest Quarter; the Southwest Quarter of the Northeast Quarter of the Southwest Quarter; the West Half of the Southeast Quarter of the Southwest Quarter; the East Half of the Southwest Quarter of the Southwest Quarter; all being in Section 34, Township 7 South, Range 34 E. W. M. ~~XXXXXX~~ Book "V" Page 530.

11. MARL ASSOCIATION CLAIM #2, Being the East Half of the Northwest Quarter; the East Half of the Southwest Quarter; all being in Section 3, Township 8 South, Range 34 E. W. M. Book "V" Page 530.

12. MARL ASSOCIATION CLAIM #3, Being the East Half of the Northeast Quarter of the Northwest Quarter; the East Half of the Northwest Quarter of the Southeast Quarter; the Southeast Quarter of the Southeast Quarter and the West Half of the Northeast Quarter; all ~~X~~ being in Section 10, Township 8 South, Range 34 E. W. M. Book "V" Page 530.

13. MAEL ASSOCIATION CLAIM #4, Being the North Half of the Southeast Quarter of the Southeast Quarter of Section 10; the Southwest Quarter of the Southwest Quarter of Section 11; the North Half of the Northwest Quarter of the Northwest Quarter of Section 14; the Northeast Quarter of the Northwest Quarter of Section 14; all being in Township 8 South, Range 34 E. W. M. All owned by Calhoun & Howell Oreg. Ltd. Book "V" Page 531.

14. ASSOCIATION CLAIM #4, Recorded in Book "33" of the Mining Records of said County at Page 113 thereof, being in the Northwest Quarter of the Southeast Quarter of the Northeast Quarter; the Southeast Quarter of the Northeast Quarter of the Northeast Quarter, Section 33, Township 7 South, Range 34 E. W. M. and the Southwest Quarter of the Southwest Quarter of the Northwest Quarter, Section 34, Township 7 South, Range 34 E. W. M. As Amended. Containing 15 acres.

The Operator is an Oregon partnership comprising Mr. Melvin Howell and Mr. Raymond K. Calhoun as General Partners and Mrs. Eleanor Houston and Mr. Glenn R. Houston as Limited XR Partners. The Partnership owns the claims listed above.

The locations of the ~~above~~ claims with reference to section, township, and range are shown on map entitled, "Figure 1, showing Calhoun and Howell of Oregon, Ltd., Placer Claims and Approximate Location of Test Pit Lines . . .," attached hereto and made part hereof.

EXPLORATION CONTRACT
CALHOUN AND HOWELL OF OREGON, LTD.
OMK-6311

EXHIBIT A

The purpose of this project is to explore by means of sinking pits for gold concentrations in gravel deposits along the John Day River.

General Provisions

The Government will not participate in the cost of any pit that does not reach bedrock.

The Operator will provide all technical and supervisory services necessary to complete the project in a satisfactory manner.

The location, direction, and extent of all the work shall be subject to ~~XXX~~ Government approval.

Description of the Work

The work shall consist of sinking two or more test pits along lines normal to the trend of the river. The initial pits will be on lines in secs. 3 and 10, T. 8 S., R. 34 E., and thereafter along lines spaced at approximately 1000-foot intervals up and down river, as shown on Figure 1.

It is estimated that fifty or more pits ranging from three to fourteen feet in depth will be required to explore the project area. The pits may be sunk by using spiling or cassions with a minimum diameter of 3 feet and shall be identified by number in order of completion.

The material from each pit shall be concentrated and an estimate of the gold value per cubic yard of the material from each individual pit shall be calculated.

The Operator shall submit a monthly report which shall include a map or sketch showing the location and depths of the pits

at intervals not less than 55 feet, or mutually agreed upon by the Contractor and Gov.

completed during the reporting period and the estimated monetary value per cubic yard of the material removed. A representative sample of the gold shall be assayed to establish its fineness after the first few lines of holes have been completed.

The Operator shall keep records of the quantity, fineness, and value of all gold recovered during the project work and such records shall be submitted to the Government at appropriate periods. The fineness of the gold shall be established by a commerical assayer and certificates of such assays shall be submitted to the Government.

Estimated Costs of Project

Fixed Unit Costs

Excavation of pits aggregating 720 lineal feet @ $9.00/ft.	$6,480.00
Determinations of gold finenses of 10 samples @ $2.00/sample	20.00
Total Estimated Cost of Project	$6,500.00
Government Participation @ 50%	$3,250.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
November 1, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 4 1963

DATE		CODE
		120
11/6		500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6311 (Gold-Silver)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

In your memorandum of July 10, 1963, referring this application to the field, you instructed me to ask the applicants to submit names and addresses of any "limited partners" and to submit copies of new letters to two banks and their replies.

The names and addresses of the "limited partners" are given in the applicants' letter of August 31, 1963, a copy of which was sent you September 9. Enclosed are the copies of new letters to three banks and their replies.

filed on left side of docket

My recommendations are given in my memorandum dated June 17, 1963, with which I forwarded the application. However, it was pointed out in in your memorandum of referral to the field that an average of 6.7 feet per day for sinking test pits seemed low unless the gravel is saturated and the pits have to be spiled.

I met Mr. Howell at Dale, Oregon, August 16, 1963, and spent about an hour with him discussing and explaining various matters relevant to his project. He and his partner have found that test pits can be sunk only by spiling or driving caissons -- they find the latter more satisfactory, quicker, and cheaper.

In my cost estimate under Category 4, Operating Equipment, there is an error. The total of $70.83 monthly depreciation should have been multiplied by 3.5 months before dividing by the 720 lineal feet of pits and the cost of this item should be $0.34 per foot instead of $0.10 per foot. The total estimated cost including item 7 should be $11.47 per foot of test pitting. Similarly, the total contract cost should be $8,258.40 and the Government's participation should be $4,129.20.

D. R. MacLaren

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
C M E
RECEIVED 2 .63
DATE
10/2 Murphy 5.00

Rec'd

No. 157 Howard Street
Spokane, Washington 99204
September 30, 1963

Air Mail

Mr. Melvin L. Howell
Route 3, Box 153
Stockton, California

Re: CME-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

When we met in Dale, Oregon, on August 16, 1963, we discussed certain questions relative to your application for CME assistance. We have received the names and addresses of the "limited" partners which we requested but to date have not received copies of your new letters to two banks and the replies.

As I explained to you, your letters to the banks, received with your application, are not satisfactory because, in effect, they ask for a negative reply. Also, the letters from the banks are not satisfactory because each states that one of the reasons for denying your request is that the property is outside of their banking area or immediate territory.

Even though the Pendleton Branch of the First National Bank of Oregon is your bank of account and is the nearest bank to the property, I advised you that you should write to two additional banks, and send us copies of your letters and their replies.

Next to Pendleton, the banks closest to the property appear to be the Grant County Bank in John Day, the Bank of Eastern Oregon, and the First National Bank of Oregon, both at Heppner.

As soon as we receive copies of your letters and the replies, we will continue to process your application.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, CME
Region I

cc: Mr. Raymond H. Calhoun
P. O. Box 25
Dale, Oregon

DRMcLaren:mls
cc: CME
Reading copies to: Nolan, Killegaard

Stockton, California
August 21, 1963

OMe
6311

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 5 1963

DATE	INITIALS
9/5	T. Murphy

Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Attention: D. R. McLaren
Acting Field Officer

Gentlemen:

In answer to your request for information about the limited partners in our partnership, the following are their names and addresses:

Mrs. Flea or Houston
1[illegible] North Fairmont
Lodi, California

Mr. Clenn S. Houston
708 Holl, Drive
Lodi, California

Yours truly,

Calhoun and Howell of Oregon, Ltd.

By /s/ Melvin L. Howell

One (2)

OFFICIAL FILE COPY

DATE		
8/19	Transcribed Murphy	500 502

No. 157 Howard Street
Spokane, Washington 99204
August 12, 1963

Air Mail

Mr. Melvin L. Howell
Route 3, Box 153
Stockton, California

Re: OMX-6311 (Gold)
Calhoun & Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

This will confirm our telephone conversation last Friday evening advising you that our expected arrival at Dale, Oregon, will be between 12:30 and 1:30 p.m. on August 16 instead of the previously planned time of 10:30 to 11:30 a.m. on the 17th.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMX
Region I

cc: Mr. Raymond M. Calhoun
P. O. Box 25
Dale, Oregon

OMX(2)
Reading copies to:
Nolan
Killegaard

OMe (2)

OFFICIAL FILE COPY

DATE

Ground 500

E/P Murphy

So. 157 Howard Street
Spokane, Washington 99204
August 8, 1963

Mr. Raymond K. Calhoun
P. O. Box 25
Dale, Oregon

Re: OME-6511 (Gold)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Calhoun:

I will reach Dale accompanied by two Korean trainees the morning of Saturday, August 17, 1963, relative to the above-cited OME application. There are a few points I wish to clarify and, if possible, wish to visit the property.

As we will be coming in from Prineville, it is difficult to say exactly at what time we will reach Dale, but I would expect to be there between 10:30 and 11:30 a.m. if there is no delaying road construction in progress.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: Mr. Melvin Howell
Route 3, Box 155
Stockton, California
(via Air Mail)

OME(2)
Reading copies to:
Nolan
Kiilsgaard

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/10	Murphy	500
	[illegible]	500
7/10	Jackson	800
	[illegible]	130
7/10	[illegible]	110
4	[illegible]	100
7/10	[illegible]	220
		500

JUL 10 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6311 (Gold-Silver)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

The subject application is referred to Region I for review, a field examination if deemed advisable, and recommendations.

With reference to the land mentioned in your transmittal letter of June 17, 1963, enclosed are two copies of a letter from the Applicant in response to our letter of June 24, 1963, that answers the questions regarding the land.

In the event you conclude an exploration contract is warranted, kindly request the Applicant to submit the names and addresses of any "limited" partners in the organization, also, to submit copies of new letters to two banks and their replies. The letters from the Applicant which were submitted are unsatisfactory in that neither of the banks is in the vicinity of the project area and in effect ask for a turn-down.

We note your estimated costs are based on sinking the test pits an average of 6.7 per day. With a crew of three man working this figure appears low unless the gravel is saturated and the pits have to be spiled.

George C. Selfridge (gla)

Enclosure

FMMurphy/mm
7/10/63
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/9	Murphy	500
	Delaney	500
7/9	Talbert	800
	Selfridge	130
7/10	Johnson	110
9	Frick	100
		220
		500

JUL 10 1963

Mr. Melvin Howell
Rt. 3, Box 153
Stockton 5, California

Re: OME-6311 (Gold-Silver)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

Your letter of July 3 answering the questions raised in Mr. Murphy's letter of June 24, 1963, is acknowledged. Your application has now been referred to Mr. D. R. MacLaren, Acting Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane 4, Washington.

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

Sincerely yours,

George Fumich, Jr.

Director

(pt)

FMMurphy/mm
7/9/63
cc: Director's Reading File
Region I ~~with copy of July 3 letter~~
Docket

43683

Stockton, California
July 3, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 8 1963
DATE | INITIALS | CODE
Brown | 500
Murphy | 500

Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: F. M. Murphy, Chief
Division of Minerals

Re: OME - 6311

Gentlemen:

In response to your letter of June 24 the following additional information is supplied to assist in the processing of our application.

1. The land in sec. 28, T. 7 S., R 34E., which you request be added to the proposed exploration area is presently under lease to our partnership but is not workable because it is in a rocky gorge.

2. The land referred to in section 33 and 34 is owned by our partnership under Association Claim #4 which reads as follows:

> ASSOCIATION CLAIM #4, Recorded in Book "33" of the Mining Records of said County at Page 113 thereof, being the Northwest Quarter of the Southeast Quarter of the Northeast Quarter; the Southeast Quarter of the Northeast Quarter of the Northeast Quarter, Section 33, Township 7 South Range 34 E.W.M. and the Southwest Quarter of the Southwest Quarter of the Northwest Quarter, Section 34, Township 7 South Range 34 E.W.M. As Amended. Containing 15 acres.

This description was inadvertantly omitted from our original application.

3. In our original application an error was made in the legal description of Mael Association Claim #3. The line reading "the northeast quarter of the southeast quarter" should be changed to "the southeast quarter of the southeast quarter."

4. In paragraph #2 of your letter you request information as to the means of financing the operation prior to receiving Government

reimbursement. The individual partners have agreed to advance sufficient funds as will be necessary to cover the first few months of operation and to equalize the partnership's costs with the Government reimbursement after allowing for furnished labor and depreciation on equipment.

Respectfully submitted,

Calhoun and Howell of Oregon, Ltd.

by Melvin L. Howell
Partner

C.C. D. R. McLaren, Field Office, Spokane.

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
6/24	Johnson	110
6/24	Tuck	100
6/24	Coe	220
		500

JUN 24 1963

Mr. Melvin Howell
Rt. 3, Box 153
Stockton 5, California

Re: OMR-6311 (Gold-Silver)
Calhoun and Howell of Oregon, Ltd.
Star, et al., Placer Claims
Grant County, Oregon

Dear Mr. Howell:

Your application for Federal exploration assistance has been reviewed by the Division of Minerals of the Office of Minerals Exploration. To assist us in further processing your application, kindly submit the following additional information:

1. Blocking out the listed placer claims on the map submitted, we note that some of the lines of the proposed pits would be outside the claim areas or within a few feet of the outer boundaries. It appears that in T. 7 S., R. 34 E., the following land should definitely be added to the application: in sec. 28, the N½ of the NW¼ of the NW¼ and the NW¼ of the NE¼ of the NW¼; in sec. 33, the NW¼ of the SE¼ of the NE¼ and the NE¼ of the NE¼ of the SE¼; in sec. 34, the SW¼ of the SW¼ of the NW¼. Also, it is possible that in sec. 28, the SE¼ of the SE¼ of the NW¼ and in sec. 34, the SW¼ of the NW¼ of the SW¼ and the SE¼ of the SE¼ of the SW¼ should be added to the list of claims you propose to explore.

2. Under Item 1(c) of the application you state that you will furnish your share of the costs by furnishing equipment and the labor of one man. Experience has shown that such services and the depreciation on applicant-owned equipment will not cover an operator's share of the total exploration cost. In addition, the Government does not advance funds for its share under a contract. An operator pays all the first month's costs and then submits a voucher on forms furnished by the Government. After approval, the operator is reimbursed for the Government's share of the costs. As it usually takes from two to three weeks to reimburse an operator, it should have sufficient funds at hand to cover all costs for at

43683

least the first two months. Thereafter, normally, reimbursement is received by an operator at monthly intervals. Therefore, please inform us how, in addition to the labor and equipment mentioned, you propose to finance your share of the exploration costs.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

FMMurphy/mm
6/24/63
cc: Director's Reading File
Region I (2)
Docket

June 21, 1963

Calhoun and Howell of Oregon, Ltd.
c/o Melvin Howell
Rt. 3 Box 153
Stockton 5, California

Subject: OME-6311

Gentlemen:

Your application for exploration assistance, undated, submitted to our office at Spokane, Washington has been assigned Docket Number OME - 6311.

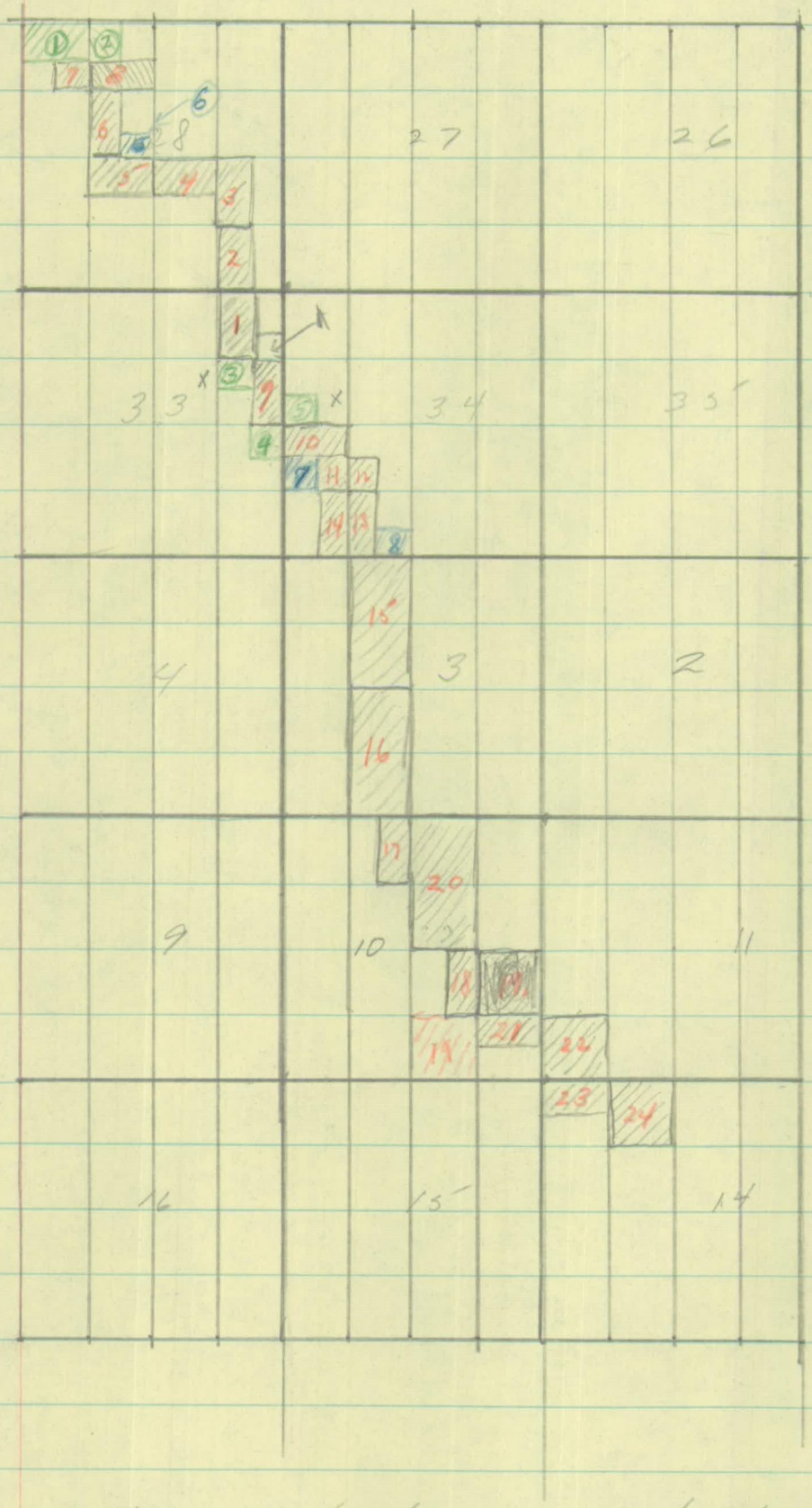
Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to Region I

see 2(b) of application
OME 6311



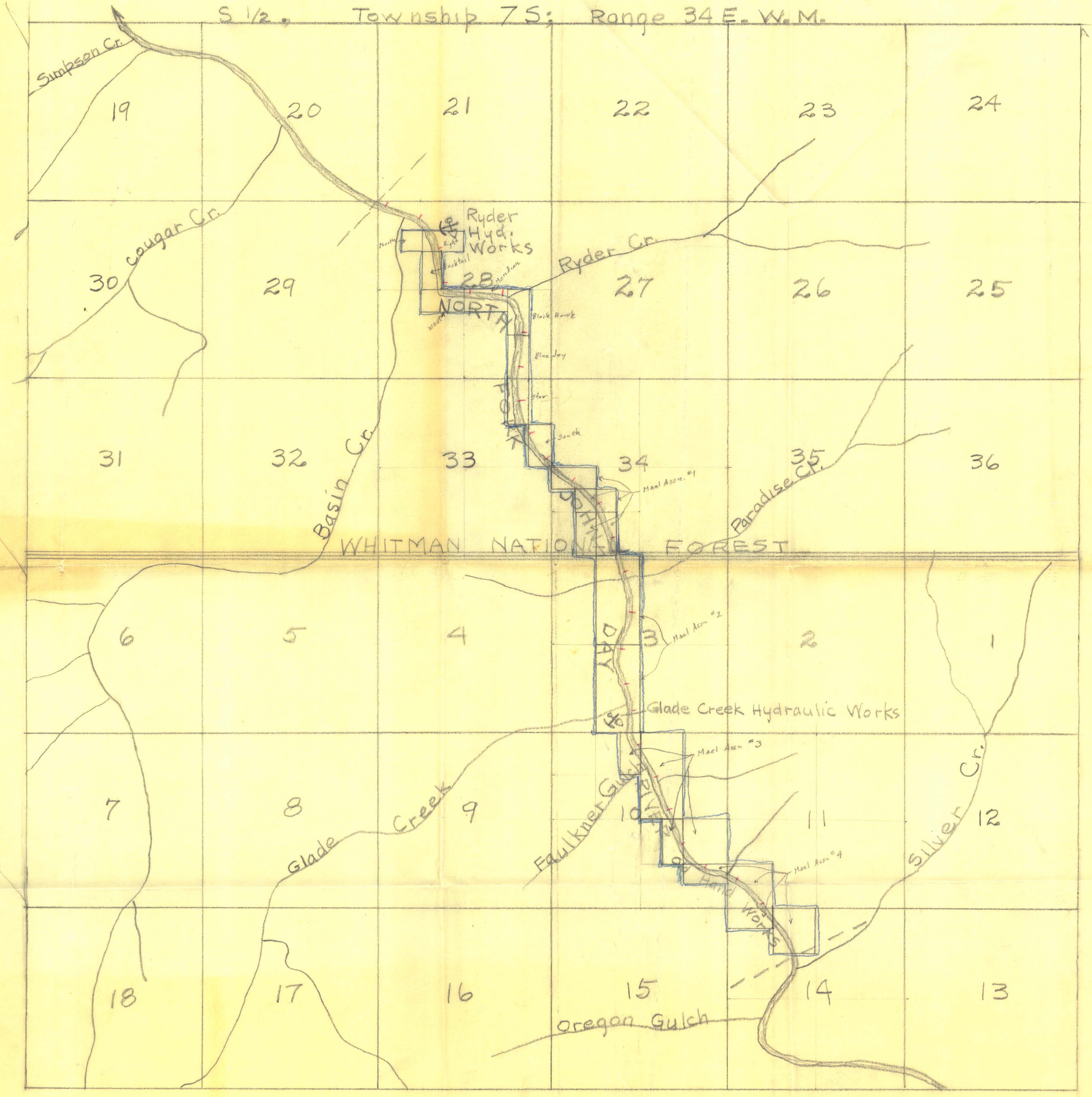
A - added in letter

Definite gaps mentioned by MacLaren in Memo. with application

Possible gaps

Calhoun and Howell of Oregon, Ltd.
Rt 3 Box 153
Stockton, California

Item 3 (a)



N 1/2, Township 8S; Range 34 E. W. M.

FIGURE-I
Showing Calhoun & Howell of Oregon, Ltd
Placer Claims and Approximate
Location of Test Pit Lines
Scale 1" = 1/3 mile

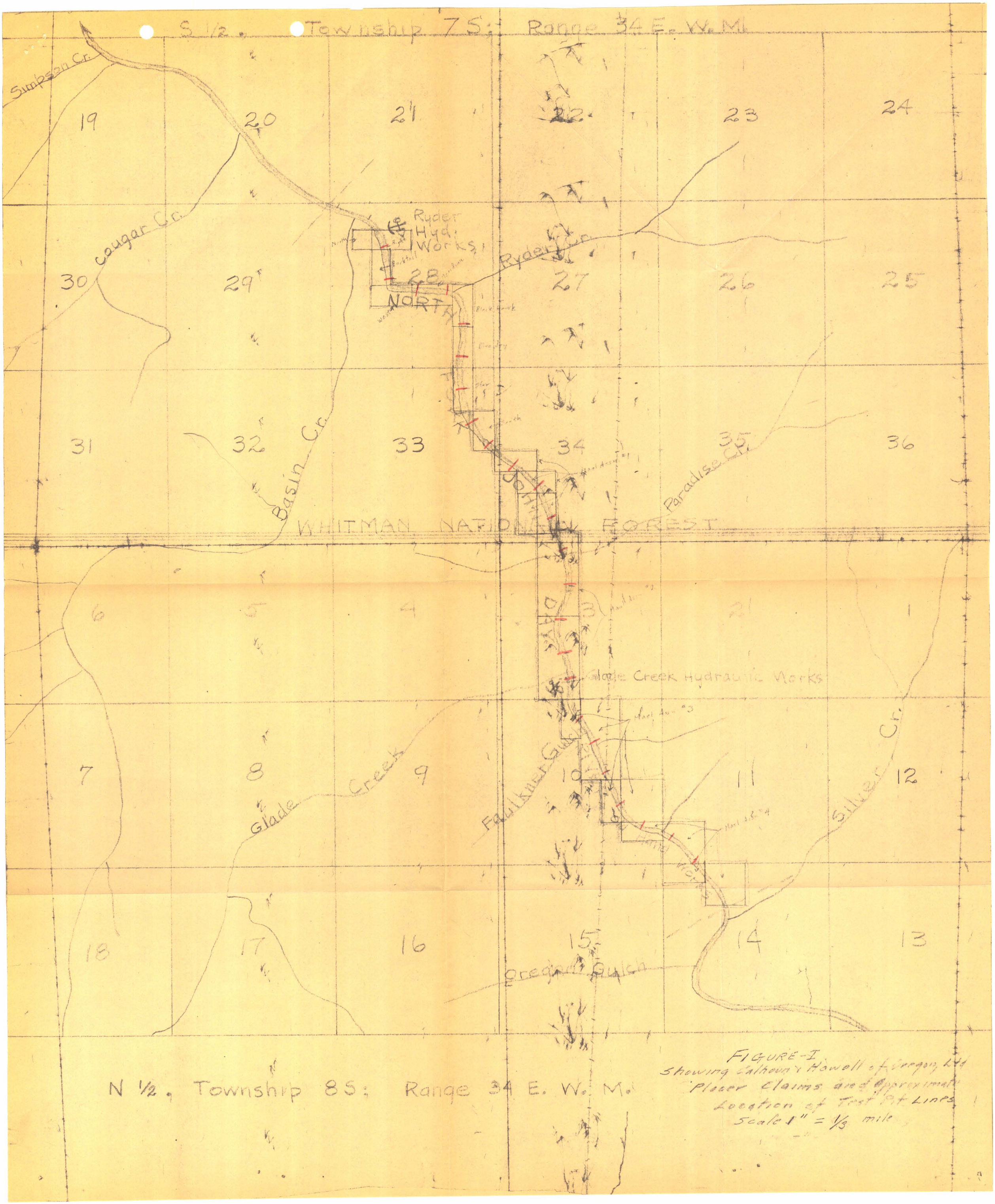


FIGURE-I
Showing Calhoun & Howell of Oregon Ltd
Placer Claims and Approximate
Location of Test Pit Lines
Scale 1" = 1/3 mile