B.267
B.C. = 14217

General Geology of the Pine Creek Area

DMEA - 3858 - 8/4/55

The country rock of the Pine Creek area is principally Prichard formation, although east of the Highland-Surprise mine the Burke formation is present. The Prichard formation has been divided into lower and upper members. The lower Prichard is "thin to thick bedded, light to dark gray argillite, laminated in part", interbedded with "white to light gray, subvitreous to vitreous quartzite". The upper Prichard is described as "thin to thick-bedded with thinly laminated, dark gray argillite". Argillite in this case is a district term and much of the argillite is actually very fine-grained, dark quartzite; in other districts much of the thickly bedded material would be called graywacke. Other portions might well be classified as shales and slates.

Bedding attitudes in the vicinity of the Nevada-Stewart mine are diverse, but in general show a northeasterly strike and a southerly dip.

Economically, the most significant structural feature of the Pine Creek area is the Yreka shear zone. The productive mines in the Pine Creek area, except for the Douglas and Constitution mines, are on this shear zone. The productive veins are: the Sunset, the Denver, the New vein in Nabob mine, the Sidney, those in the Nevada-Stewart mine, the Surprise and the Highland vein.

Productive veins of the Pine Creek area, except for the stibnite-bearing veins, are composed mainly of pyrite, carbonates, dark glassy quartz, pyrrhotite, sphalerite, and galena. Pyrrhotite is abundant, and it is the characteristic gangue mineral.

Highland Surprise
DMEA-3341

UMPLEBY, Joseph B., and JONES, E.L., Jr.: Geology and Ore Deposits of Shoshone County, Idaho; U. S. Geological Survey Bulletin 732, 1923

I. Location

A. Lies in Couer d'Alene district.

B. Comprises a large part of the narrow portion of the State. Extends northward to the International boundary. From the summit of the Continental Divide on the east - the county extends west approximately half way across the State.
1. Lies within greatly dissected plateau region.
2. Characterized by deep valleys separated by high, timbered divides.

C. Approximately 75 miles in length north to south. North end 12 miles wide, eastern border trends southeastward, 60 miles wide at southern border.

II. History and Production

A. Ore deposits discovered - 1878

B. Active exploration - 1884.

C. Few districts opened since 1890.

D. 1883 - gold discovered.
1. $250,000 worth produced - following year.

E. 1885 - lead-silver discovered.
1. 1889 - yielding annually 17,500 short tons of lead - 1,000,000 ounces of silver.

F. 1904 - copper
1. Snowstorm mine
2. 1908 - maximum output - 9,000,000 pounds.

G. 1905 - zinc - first marketed.
1. 144,000 pounds sold.

III. Geology of Region

A. Sedimentary rocks
1. comprise slate, quartzite, calcareous shale, and strata of intermediate composition.
2. known as Belt series - Algonkain age.
3. several thousand feet in thickness.

B. Subdivision into formations.
   1. Prichard Formation
      a. lowest in Belt series
      b. best developed in central and southwest parts - 8,000 feet thick
      c. blue shale and slate - interbedded gray sandstone and quartzite
      d. near Kellogg - formation subdivided
         1. upper, middle and lower members
         2. massive bed of white and gray quartzite
            a. Pine Creek area quartzite member - 200' thick
            b. Clearwater River area - 1,500' thick
               1. slates converted to mica schist and gneiss

   2. Burke Formation
      a. overlying Prichard formation
         1. series of pale-tinted siliceous shale and sericitic flaggy quartzite
         2. 3,500' thick - central part
            1,000' thick - southward

   3. Revett Quartzite
      a. overlies Burke formation
         1. similar in composition
         2. beds more massive - more purely siliceous
         3. 1,200' thick east of Wallace; 1,500' extreme south; 2,300' at Wardner.

   4. St. Regis Formation
      a. quartzitic sandstone and shale
         1. 1,000' thick - small areal distribution

   5. Newland (Wallace) Formation
      a. covers approximately half of Shoshone County
         1. thickess formation above Prichard - 4,000 to 6,000'
         2. made up of thin bedded calcareous rock
            a. above beds - calcareous sandstone and shale
            b. middle - impure limestone
            c. upper - blue shale predominates
         3. southern section - metamorphosed to
            a. mica schist
            b. hornstone
            c. quartzite and related rocks.

   6. Striped Peak Formation
      a. Belt series - less widely distributed
      b. similar to St. Regis
         1. lilac - colored quartzitic beds
         2. along crest - 1,000' of beds exposed

C. Igneous Rocks
   1. all intrusive
      a. exception - small patches of basalt in lower drainage basin of St. Joe River
   2. grouped as:
      a. monzonite
         1. outliers of Idaho batholith
         2. crops out in area of 24,000 square miles - central and southern part of State
         3. late Mesozoic age
         4. caused intense metamorphism
      b. lamprophyre
         1. differentiates from granitic intrusion
      c. diabase
         1. largest mass known as Wishards sill
         2. extends 30 miles - upper drainage basin of St. Joe River - intruded near middle of Newfoundland formation
         3. locally metamorphosed by granitic intrusions
         4. oldest igneous rock in region
         5. elsewhere occurs as narrow dikes
   3. dikes - southern portion
      a. granodiorite
      b. porphyritic monzonite
      c. pegmatite
      d. anorthosite - one locality

D. Structure
   1. involves large scale faulting and folding
      a. Osburn fault
         1. extends across entire county
      b. Placer Creek fault
         1. crosses county in an east-west direction - known to cross Continental Divide.

IV. <u>Ore Deposits</u>

A. Deposits in Igneous Rocks
   1. No large deposits of ore
      a. monzonite intrusion
         1. veinlets of sphalerite
         2. disseminated pyrite
         3. sphalerite
         4. quartz and galena veinlets transverse monzonite - development of:
            a. sericite
            b. chlorite
            c. pyrite

   2. Numerous dikes

a. late phases of magmatic activity

B. Deposits in Sedimentary Rocks
1. Ore deposits unique among mineral deposits - replacement deposits in quartzite
   a. mineral occurrences diverse in character.
2. Burke and Revett formations
   a. purest quartzite
   b. principal lodes
3. Disseminated deposits
   a. only copper minerals have yielded disseminated deposits of commercial value
   b. galena and sphalerite deposits
      1. east end of Bunker Hill and Sullivan Mine
      2. in narrow zones along ore bodies elsewhere
   c. pyrite deposits
      1. widely disseminated in places
   d. siderite deposits
      1. most abundant and widely distributed
         a. most abundant in sericitic quartzite
         b. areas of pronounced folding and faulting
      2. characteristic gangue mineral
   e. minerals formed through metasomatic replacement of sedimentary material
      1. tourmaline
      2. biotite
      3. chlorite
      4. scapolite
      5. garnet
      6. magnetite
      7. amphibole
      8. pyroxene

C. Contact-Metamorphic replacement deposits
1. not well developed
2. number of lodes
3. formed under temperature and pressure
4. deposits occur in Prichard slate, Burke quartzite and in calcareous shales
5. position of ore bodies controlled by a zone of shearing or crushing
6. zinc and lead most valuable ore from these deposits.

D. Replacement deposits along fissures and fracture zones.
1. responsible for ore deposits of economic importance
2. lead and silver deposits
   a. most valuable deposits occur near Wardner
   b. predominantly in Burke and Revett formations
   c. consist predominantly of argentiferous galena in a gangue of

siderite or quartz
1. associated with the galena are sphalerite
2. pyrite, pyrrhotite, chalcopyrite, stibnite, tetrahedrite and magnetite

3. numerous lodes

4. Zinc Deposits - two principal areas
   a. Coeur d'Alene District
      1. north and south of the Osburn Fault
      2. zinc deposits contained in Algonkian rock - Belt series.
   b. Pine Creek District
      1. deposits are metasomatic fissure veins - occur in slate-upper portion of Prichard formation
      2. occur in zones of intense shearing
      3. deposits confined between Placer Creek and Pine Creek Faults

5. Copper Deposits
   a. occur in Algonkain rocks - Belt series
      1. formations ranging from the Prichard to the Newland (Wallace)
   b. classified according to mode of occurrence as siderite veins, disseminated deposits, lead-silver veins carrying copper, contact deposits and brecciated zones in diabase.

6. Antimony Deposits
   a. valuable deposits known only in Pine Creek Area
      1. veins have widely diverse dips and strikes
      2. contained in Prichard rocks
      3. mineral content practically identical
      4. stibnite and quartz - dominate minerals - pyrite abundantly developed
   b. scattered bunches - vicinity of Burke

7. Siderite Deposits
   a. area south of Osburn Fault - north and west of Coeur d'Alene river
      1. south area coextensive with diabase intrusion
      2. north area deposits cross Little North Fork of Coeur d'Alene River - being exploited for copper
   b. veins range from a few inches to 30' or more in width
      1. some crop out for several hundred to a few thousand feet
   c. siderite older than the quartz and chalcopyrite
   d. Pine Creek region - some notably manganiferous

8. Fissure Fillings
   a. accompanied by little if any replacement of the wall rock
   b. gold deposits in Prichard and Newland formations
      1. deposits contain same minerals as lead-silver lodes -

but in vastly different proportions

c. tungsten deposits

1. scheelite - common tungsten mineral has been found along lower part of Idaho Gulch and upper part of Trail Creek and upper part of Pony Gulch.

V. <u>Outlook</u>

A. Future of Coeur d'Alene still bright

1. production of lead, silver and zinc has risen steadly
2. zinc will continue to increase
3. copper future not as bright
4. prospecting in Prichard areas should not be discouraged.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	[illegible]	500
3/22	[illegible]	500
	Martin	130
3/25	[illegible]	110
25	Mittendorf	100
		225

S

Kilogaard
Lamb

MAR 26 1957

Mr. M. C. Brown, President
Sidney Mining Company
Sidney Building
Kellogg, Idaho

Re: Docket No. DMEA-3056 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Brown:

This is to inform you that upon the recommendation of Mr. A. E. Weissenborn, Executive Officer, Region I, Northwest District, the cited application is being withdrawn and placed in the inactive files. Your application to do additional work on the Sidney property and extending into the Nevada-Stewart property will now be considered under your present Contract No. Idm-E367, Docket No. DMEA-2351.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WWAlt/er 3/22/57
Copy to: Docket(2)
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region I(2)
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
500 3/22	Alt	500
3/22		

March 22, 1957

Memorandum

To: Chief, Operations Control & Statistics Division

From: Chief, Base Metals Division

Kilsgaard

Subject: Withdrawal of Application, Docket No. DMEA-3858 (Lead-Zinc), Sidney Mining Company, Nevada-Stewart Mine, Shoshone County, Idaho.

Will you please withdraw the cited application from the active files. The reason for this is that the requested additional work on the 2300 level of the Sidney property and which extends into the Nevada-Stewart property will be considered as an amendment or as an amended contract to Contract No. Idm-E367, Docket No. DMEA-2351, Sidney Mining Company.

Please refer to letter, dated March 11, 1957, to Mr. George Selfridge, Chairman, Operating Committee from A. E. Weissenborn, Executive Officer, Region I, Northwest District.

W. R. Griswold

W. R. Griswold

JWAlt/er
Copy to: Docket (2)
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

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DATE	INITIALS	CODE
3/14	C	220
3/14	JWA	500

March 11, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

This is in reply to your letter of March 4, 1957 regarding the above-referenced application. Your letter crossed ours of March 1, 1957 with which we forwarded memorandum reports by R. D. Sample of the Geological Survey and E. G. Erickson of the Bureau of Mines.

The original application by the Sidney Mining Company for assistance to explore on the Nevada-Stewart ground from the Sidney 2300 level was given the Docket No. 3858. Final action on this request was deferred until work on the Sidney 2300 level should be sufficient to serve as a basis for estimating costs for the work on the Nevada-Stewart ground. When the Operator asked that this application be reopened, we considered that it was advisable to refer to Docket No. 3858 to identify the application to which we were referring, although we recommended that the work be authorized by amendment to Contract Idm-E367, Docket No. 2351. Sidney Mining Company is agreeable to this.

We recommend that the applicant be advised that Docket No. 3858 has been withdrawn and is reinstated under Docket No. 2351.

By Field Team, Region I, NW Dist.

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (AD)
Sample

DMEA Form 7
(12-56)

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Date	Surname	Code
500 3/1		500
		500
3/4	Selfridge	130
"	Johnson	110
"	Matthews	100
3/5		225
		500.

MAR - 4 1957

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

This is with reference to the cited property. It is our understanding from correspondence and from our conversation with you when you were in Washington recently, that the Sidney Mining Company now desires to amend their present contract (No. Idm-E367, Docket No. DMEA-2351), which would allow them to do the proposed exploration work on the cited property from the Sidney workings. Under these conditions it is our opinion that the cited application should be withdrawn.

At your earliest convenience, we would appreciate receiving your comments and recommendations concerning this application.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

JWAlt/er 3/1/57
Copy to: Docket (2)
Admr R File
Op. Committee
Base Metals (2)
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Frank D. Lamb (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DMEA RECEIVED FEB 5, 1957		
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2/5	C	226
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February 1, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are three copies of a letter from M. C. Brown, president of the above-referenced property, requesting an amendment to Contract No. Idm-E367 (Docket No. DMEA-~~3251~~ 3357) to permit exploration of the Nevada-Stewart ground from the Sidney 2300 level. This application is a modification of that proposed by Highland Surprise Mining Company in Docket No. DMEA-3341, and one proposed by this applicant and recommended for approval in an examination report dated August 4, 1955. 3357

The field men are preparing reports that will recommend approval of a modified program, and will present an estimate of costs. As soon as these reports are ready, we will forward them.

By Field Team, Region I, NW Dist.

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Stephen W. Zoldok
for Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
Sample

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DATE	INITIALS	CODE

January 17, 1957

Mr. A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

Referring to our letter of December 17, 1956 we now desire to amend the above application to provide for complete exploration of both Sidney and Nevada-Stewart property at the 2300-level, which will require increased footages of drifting and diamond drilling.

We are enclosing five copies of an amended map of 2300-level to be attached to Docket No. DMEA-3858. Following, as of January 1, 1957, is a summary of the footage completed under Stage IV of Idm-E367, Docket No. DMEA 3324, the footage remaining under Stage IV, and the additional footage now proposed under Docket No. DMEA-3858 (Nevada-Stewart).

	Map Color	Drifts & Crosscuts	Diamond Drilling
Completed under Idm-E367, Stage IV	Violet	1,903 ft.	246 ft.
Remaining under Idm-E367, Stage IV	Green	2,172 ft.	11,754 ft.
Additional proposed under DMEA-3858	Brown	6,800 ft.	20,000 ft.

Please consider the application amended to provide for 6,800 feet of drifts and crosscuts, and 20,000 feet of diamond drilling at the unit costs outlined in our letter of December 17, 1956.

Yours very truly,

RECEIVED
JAN 23 1957

M. C. BROWN
President

jh
Encs. 10

EXTRA COPY
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RECEIVED 1957

DATE	INITIALS	CODE

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

February 1, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are three copies of a letter from M. C. Brown, president of the above-referenced property, requesting an amendment to Contract No. Idm-K367 (Docket No. DMEA-3251) to permit exploration of the Nevada-Stewart ground from the Sidney 2300 level. This application is a modification of that proposed by Highland Surprise Mining Company in Docket No. DMEA-3341, and one proposed by this applicant and recommended for approval in an examination report dated August 4, 1955. 23.1

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By Field Team, Region I, NW Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
Sample

EXTRA COPY DMEA RECEIVED FEB 5 1957		
DATE	INITIALS	CODE

January 17, 1957

Mr. A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

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Yours very truly,

RECEIVED
JAN 23 1957
U.S.G.S.
WASH.

M. C. BROWN
President

jh
Encs. 10

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RECEIVED FEB. 6, 1957

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xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

February 1, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are three copies of a letter from M. C. Brown, president of the above-referenced property, requesting an amendment to Contract No. Idm-K367 (Docket No. DMEA-3251) to permit exploration of the Nevada-Stewart ground from the Sidney 2300 level. This application is a modification of that proposed by Highland Surprise Mining Company in Docket No. DMEA-3341, and one proposed by this applicant and recommended for approval in an examination report dated August 4, 1955.

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By Field Team, Region I, NW Dist.

A. H. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

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DATE	INITIALS	CODE

January 17, 1957

Mr. A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

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Please consider the application amended to provide for 6,800 feet of drifts and crosscuts, and 20,000 feet of diamond drilling at the unit costs outlined in our letter of December 17, 1956.

Yours very truly,

M. C. BROWN
President

jh
Encs. 10

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY DMEA RECEIVED JAN 14 1957		
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January 8, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed is a self-explanatory letter dated December 17, 1956, from Mr. M. C. Brown, President, Sidney Mining Company.

The field men are making an appraisal of the proposed work, and as soon as their report is completed we will forward it to you.

By Field Team, Region I, NW Dist.

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Thomas E Howard

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure in dupl.

cc: USBM (2)
Sample

EXTRA COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 8, Washington

January 8, 1957

Mr. George C. Gelfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3058 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Gelfridge:

Enclosed is a self-explanatory letter dated December 17, 1956, from Mr. M. C. Brown, President, Sidney Mining Company.

The field men are making an appraisal of the proposed work, and as soon as their report is completed we will forward it to you.

By Field Team, Region I, BM Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure in dupl.

cc: USBM (2)
Sample

M. C. BROWN, President
F. E. MARLER, Jr., Sec.-Treas.
G. A. McKINLEY, Gen. Mgr.

Sidney Mining Company

Sidney Building
Kellogg, Idaho

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE

December 17, 1956

Mr. A. E. Weinzerbern
Executive Officer, DMEA
Field Team, Region 1, NW Dist.
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3056 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weinzerbern:

Under the terms of our DMEA Contract No. Idm-2367 we are presently drilling westerly in the Sidney Mine to explore the extension of the Which 25 vein and we are also drilling easterly to intersect the junction of the McDougall and Brown faults and thence to explore the mineralized Nevada-Stewart vein zone which on the upper Nevada-Stewart tunnel level extends more than 1000 feet easterly from the fault junction. This work we proposed to do in the Nevada Stewart Mine in our application Docket No. DMEA-3056. We were informed that final processing of this application would be delayed until actual costs of drifting on the 2100-level could be determined.

Our east drift is rapidly approaching the Nevada-Stewart line and we believe that our application should now be processed as rapidly as possible so that work in the Nevada-Stewart ground will not be delayed.

Since July 1, 1956 we have kept detailed cost accounts on the 2300-level drifting. We are enclosing herewith three copies of a tabulation of these costs for the period July 1 to October 31, 1956. When compared to the estimates in our application the current figures are considerably higher. Labor costs, especially, are higher because of two wage increases since the application of June 16, 1955. The prices of most supplies such as explosives, steel, pipe etc. have risen from 10 to 20 per cent since June 16, 1955.

We respectfully request that the application be approved as soon as possible and that the actual cost figures of $47.34 per foot, unimbered, with an additional $7.00 per foot for timber where required be used as the basis for a contract.

Yours very truly,

M. C. BROWN
President

RECEIVED
DEC 19 1956

MCB:jh
Encs. 3

SIDNEY MINING COMPANY

Average Cost of Crosscutting and Drifting

2300-Level — July 1 to October 31, 1956

Item	Cost per foot
Direct Labor:	
At the Face	$ 11.50
Service Labor	4.50
Hoisting & Caging	4.29
Steel	2.20
Bits	1.62
Explosives	7.46
Rail	2.34 weight
Air & Water Pipe	2.97
Waste Disposal	2.00 ?
Pumping	.54
Ventilation	1.72
Power	.69
Repairs:	
Drilling Equipment	2.24
Mucking Equipment	1.25
Electrical Equipment	.45
Supervision & Engineering	1.26
Miscellaneous	.22
Total cost per foot withdrawal	$ 47.34
Timber	7.88
Total cost per foot withdrawal	$ 55.22

[illegible] MINING COMPANY

Average Cost of Concentrating and Drifting

2300-Level July 1 to October 31, 1966

Item	Cost per foot
Direct Labor:	
At the Face	$ 11.50
Service Labor	4.50
Hoisting & Caging	4.39
Steel	2.30
Bits	1.62
Explosives	7.46
Rail	2.34
Air & Water Pipe	2.97
Waste Disposal	2.00
Pumping	.54
Ventilation	1.72
Power	.69
Repairs:	
Drilling Equipment	2.24
Mucking Equipment	1.25
Electrical Equipment	.48
Supervision & Engineering	1.25
Miscellaneous	.55
Total cost per foot [illegible]	$ 47.34
Timber	7.20
Total cost per foot [illegible]	$ [illegible]

SIDNEY MINING COMPANY

Average Cost of Crosscutting and Drifting

2300-Level July 1 to October 31, 1956

Item	Cost per foot
Direct Labor:	
At the Face	$ 11.50
Service Labor	4.50
Hoisting & Caging	4.29
Steel	2.20
Bits	1.62
Explosives	7.46
Rail	2.34
Air & Water Pipe	2.97
Waste Disposal	2.00
Pumping	.34
Ventilation	1.72
Power	.69
Repairs:	
Drilling Equipment	2.24
Mucking Equipment	1.25
Electrical Equipment	.45
Supervision & Engineering	1.25
Miscellaneous	.32
Total cost per ft., unlimbered	$ 47.34
Timber	7.88
Total cost per ft., timbered	$ 55.22

M. C. BROWN, PRESIDENT
F. S. MARLER, JR., SEC.-TREAS.
A. McKINLEY, GEN. MGR.

EXTRA COPY
DMEA
JAN 14 1957

DATE	INITIALS	CODE

Sidney Mining Company

Sidney Building
Kellogg, Idaho

December 17, 1956

Mr. A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

Under the terms of our DMEA Contract No. Idm-E367 we are presently drifting westerly in the Sidney Mine to explore the extension of the Nabob D5 vein and we are also drifting easterly to intersect the junction of the McDougall and Brown faults and thence to explore the mineralized Nevada-Stewart vein zone which on the upper Nevada-Stewart tunnel level extends more than 1000 feet easterly from the fault-junction. This work we proposed to do in the Nevada Stewart Mine in our application Docket No. DMEA-3858. We were informed that final processing of this application would be delayed until actual costs of drifting on the 2300-level could be determined.

Our east drift is rapidly approaching the Nevada-Stewart line and we believe that our application should now be processed as rapidly as possible so that work in the Nevada-Stewart ground will not be delayed.

Since July 1, 1956 we have kept careful cost accounts on the 2300-level drifting. We are enclosing herewith three copies of a tabulation of these costs for the period July 1 to October 31, 1956. When compared to the estimates in our application the current figures are considerably higher. Labor costs, especially, are higher because of two wage increases since the application of June 10, 1955. The prices of most supplies such as explosives, steel, pipe etc. have risen from 10 to 20 per cent since June 10, 1955.

We respectfully request that the application be approved as soon as possible and that the actual cost figures of $47.34 per foot, untimbered, with an additional $7.88 per foot for timber where required, be used as the basis for a contract.

Yours very truly,

M. C. BROWN
President

MCB:jh
Encs. 3

SIDNEY MINING COMPANY

Average Cost of Crosscutting and Drifting

2300-Level — July 1 to October 31, 1956

Item	Cost per foot
Direct Labor:	
At the Face	$ 11.50
Service Labor	4.50
Hoisting & Caging	4.29
Steel	2.20
Bits	1.62
Explosives	7.46
Rail	2.34
Air & Water Pipe	2.97
Waste Disposal	2.00
Pumping	.54
Ventilation	1.72
Power	.69
Repairs:	
Drilling Equipment	2.24
Mucking Equipment	1.25
Electrical Equipment	.46
Supervision & Engineering	1.25
Miscellaneous	.32
Total cost per ft., untimbered	$ 47.34
Timber	7.88
Total cost per ft., timbered	$ 55.22

[illegible]

[illegible] Cost of [illegible] and [illegible]

2300-Level — [illegible], 1956

[illegible] — [illegible] per [illegible]

[illegible] Labor

- [illegible] — [illegible]
- [illegible] — [illegible]
- [illegible] — [illegible]

[illegible] — [illegible]

Bits — [illegible]

Explosives — [illegible]

Rail — [illegible]

Air & Water Pipe — [illegible]

[illegible] — [illegible]

Pumping — [illegible]

[illegible] — [illegible]

Power — [illegible]

Repairs — [illegible]

- [illegible] — [illegible]
- [illegible] — [illegible]
- [illegible] — [illegible]

Supervision & [illegible] — [illegible]

[illegible] — [illegible]

[illegible]

[illegible] — [illegible]

[illegible] MINING COMPANY

Average Cost of Crosscutting and Drifting

[illegible]-Level — July 1 to October 31, 1956

Item	Cost per foot
Direct Labor:	
At the Face	$ 11.52
Service Labor	4.50
Hoisting & Caging	4.23
Steel	2.20
[illegible]	[illegible]
Explosives	7.41
Fuel	2.34
Air & Water Pipe	2.97
Waste Disposal	2.00
Pumping	.54
Ventilation	1.72
Power	.59
Repairs:	
Drilling Equipment	2.[illegible]
Mucking Equipment	1.25
Electrical Equipment	.45
Supervision & Engineering	1.25
Miscellaneous	.32
Total cost per ft., untimbered	**$ 47.34**
Timber	7.88
Total cost per ft., timbered	**$ 55.22**

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

September 8, 1955

Memorandum for the Files

From: J. W. Alt, Base Metals Division

Subject: Phone conversation about Docket No. DMEA-3858, Sidney Mining Company, Nevada-Stewart Mine, Shoshone County, Idaho, Lead-Zinc.

On this date, I phoned A. E. Weissenborn, Executive Officer, Region I, Northwest District. He was not in the office so I spoke to Verne C. Fryklund, Jr., regarding the preparation of a contract for the cited property.

I informed Mr. Fryklund that we would prepare a contract and not an amendment to the contract that the Sidney now has (Docket No. DMEA-2351, Contract No. Idm-E367).

I also informed him that we could not agree on the Field Team recommendation of allowing $45.39/ft. for crosscutting and drifting, as this is so much more than that being allowed on the present Sidney Mining Company contract, which is $34.00/ft. We thought that they should be able to do this work for $36.00/ft., allowing more because of the extra distance in tramming. I also pointed out to him that the Highland-Surprise application (DMEA-3341) was for $39.00/ft. This application had been withdrawn. Mr. Fryklund stated that this work could not be done for $36.00/ft., and suggested that we hold this application for two or three months to see what the Sidney Mining Company's drifting costs will be on the 2300 level. A review of their costs could be used to determine the costs for the Nevada-Stewart property. This I agreed to do.

I asked Mr. Fryklund if it was necessary to include all of the claims as listed by the Applicant. I referred him to Mr. Kiilsgaard's memorandum of July 6, 1955. Item I of the memorandum states:

> "I cannot see any reason why umpatented claims south of the Rocky Point need be subjected to contract terms."

He said that he would investigate this matter.

I also requested that there should be an allowance for sampling and assaying. The number of samples to be taken and the cost per assay for zinc-lead-silver.

I told him that the drifting and crosscutting should be extended to not nearer than 200 feet of the east property line of the Nevada-Stewart property. This he agreed to.

Processing of this application will be withheld until we receive the above information from the Field Team.

J. W. Alt

J. W. Alt

JWAlt/er

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
SEP - 6 1955

ABE

August 31, 1955

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Docket

Re: Docket No. DMEA-3858 (zinc-lead-silver)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are six consent to lien forms submitted by the Sidney Mining Company that should be attached to the application to do work in Nevada-Stewart ground.

Sincerely yours,

Verne C. Fryklund Jr.

Verne C. Fryklund, Jr.
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

Enclosures

cc: USBM (2)
Fryklund

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
~~[illegible]~~
No. 157 Howard Street
Spokane 4, Washington

August 31, 1955

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (zinc-lead-silver)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are six consent to lien forms submitted by the Sidney Mining Company that should be attached to the application to do work in Nevada-Stewart ground.

Sincerely yours,

Verne C. Fryklund, Jr.
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

Enclosures

cc: USBM (2)
Fryklund

M. C. BROWN, PRESIDENT
F. E. MARLER, JR., SEC.-TREAS.
C. A. McKINLEY, GEN. MGR.

Sidney Mining Company

Sidney Building
Kellogg, Idaho

August 29, 1955

Mr. A. E. Weissenborn,
Executive Officer
DMEA Field Team, Region II
South 157 Howard St.
Spokane 4, Washington

RECEIVED
SEP - 6 1955

Re: Docket No. DMEA-3858

Gentlemen:

With reference to the above Docket number, enclosed please find "Consent to Lien" as executed by the officials of the Nevada-Stewart Mining Company.

Very truly yours,

SIDNEY MINING COMPANY

By Fred E. Marler, Jr.

Fred E. Marler, Jr.
Sec. - Treas.

Encls. 6

RECEIVED
AUG 30 1955
U. S. ... SPOKANE

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

RECEIVED
SEP - 6 1955

To the United States of America:

Referring to that certain land in the County of Shoshone, State of Idaho, described as follows:1/

The property of the Nevada Stewart Mining Company located in the Pine Creek Section of the Yreka Mining District, Shoshone County, Idaho in Sections 22, 23, 26, 27, 34 and 35, Township 48 North, Range 2 East Boise Meridian.,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

None

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

RECEIVED
AUG 30 1955
U. S. G. S.
SPOKANE, WASH.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 26 day of AUGUST, 1955.

Henry C. Smith [Seal]

[Seal]

[Seal]

I, A. T. FLEMING certify that I am the ASST SECRETARY (Secretary, etc.) of the corporation named herein; that HENRY C SMITH who signed this agreement was then PRESIDENT (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

A. T. Fleming

[Corporate Seal]

MF-203
Revised March 24, 1955

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Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
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None

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[Seal]

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A. T. Fleming

[Corporate Seal]

MF-203
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None

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AUG 30 1955
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SPOKANE, WASH.

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[Seal]

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A. T. Fleming

[Corporate Seal]

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AUG 30 1955
U.S.G.S.
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[Seal]

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[Corporate Seal]

MF-203
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EXPLORATION PROJECT CONTRACT
Operator _____
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RECEIVED
AUG 30 1955
U.S.
SPOKANE, WASH.

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A. T. Fleming

[Corporate Seal]

MF-203
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For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
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CONSENT TO LIEN

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Referring to that certain land in the County of Shoshone, State of Idaho, described as follows:1/

The property of the Nevada Stewart Mining Company located in the Pine Creek Section of the Yreka Mining District, Shoshone County, Idaho in Sections 22, 23, 26, 27, 34 and 35, Township 48 North, Range 2 East Boise Meridian.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

None

RECEIVED
AUG 30 1955
U. S. G. S.
SPOKANE, WASH.

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 26th day of August, 1955.

Henry C. Smith [Seal]

[Seal]

[Seal]

I, A. T. Fleming certify that I am the Ass't Secretary (Secretary, etc.) of the corporation named herein; that Henry C. Smith who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

A. T. Fleming

[Corporate Seal]

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

August 31, 1955

RECEIVED
SEP - 2 1955

Re: DMEA 3858
Sidney Mining Co.
Nevada-Stewart Mine
Shoshone Co., Idaho
$190,651.00 - Lead-Zinc

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Application.

This application pertains to exploration of the Nevada-Stewart property east of the Sidney mine. Work now under way (DMEA 2351) on the 2300 level of the Sidney mine is designed, along with diamond drilling, to explore by crosscutting and drifting a long section of the wide Yreka shear zone within which have been found the important ore bodies of the Pine Creek District.

The work roughly outlined in this application would continue the east drift on the 2300 level of the Sidney mine into and through the Nevada-Stewart property to near the Highland-Surprise property line. This work would be 1250 feet below the adit level of the Nevada-Stewart mine from which level small stopes have been opened and below which diamond drilling has indicated two ore shoots in a main structure and two short shoots in a footwall structure. The drifting and crosscutting would be in the same horizon as the 1450 level of the Surprise mine, the lowest level in the immediate area to which an important ore shoot has been shown to extend.

I concur with the recommendation of the Field Team that a new contract be entered into or an amendment to Idm-E367 be arranged.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

August 31, 1955

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N. E. Nelson

NENelson:iml
G-8/31/55

N. E. Nelson

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
O. M. Bishop, 3617

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

August 31, 1955

Re: DMEA 3850
Sidney Mining Co.
Nevada-Stewart Mine
Shoshone Co., Idaho
$190,051.00 - Lead-Zinc

Memorandum

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Subject: Review of Application.

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N. E. Nelson

N. E. Nelson

NENelson:iml
G-8/31/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
O. M. Bishop, 3617

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D.C.

August 31, 1955

Re: DMEA 3858
Sidney Mining Co.
Nevada-Stewart Mine
Shoshone Co., Idaho
$190,651.00 - Lead-Zinc

Memorandum

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I concur with the recommendation of the Field Team that a new contract be entered into or an amendment to Ida-2367 be arranged.

N. E. Nelson

NENelson:iml
G-8/31/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
O. M. Bishop, 3617

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

alt

August 29, 1955

Re: DMEA-3858
Zinc-Copper
$190,652
Sidney Mining Co.
Nevada-Stewart Mine
Shoshone County,
Idaho

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop,
Branch of Base Metals

Subject: Review of subject application and of field team review recommending approval of application

The application outlines exploration on the Nevada-Stewart holdings by extending the Sidney 2,300 level east drift 3,400 feet to the east end line. This work will explore the most promising structure encountered in the Sidney mine on the adjacent Nevada-Stewart property. Cutout suitable for car transfer points and diamond drill stations will be cut at 300-foot intervals. A series of holes totaling 8,100 feet will be drilled from these cut-outs to explore for ore structures that may exist in either wall. Untimbered drift is estimated to cost $45.39 per foot; timbered drift at $52.39 per foot and diamond drilling at $3.75 per foot.

The proposed work will explore the Nevada-Stewart ore structures 1,200 feet below the stopes of the Nevada Adit level. It is designed to test the same ore structures which were to be tested by the Highland Surprise contract (DMEA-3341), and will by two 1,200-foot diamond drill holes test the Surprise vein zone to the south of the Nevada-Stewart vein system.

I consider this a most worthwhile exploration program, as it is set up. The necessity of careful supervision can scarcely be overemphasized in order to assure that the drift be so located so as to secure maximum exploration benefit.

The estimate of drifting costs seem unduly high, but upon completion of Contract Idm-E367 actual costs attained will give a better basis for determining contract rates.

I recommend the field team recommendations be carried out, the project being carried out as Stage II of Contract Idm-E367, and that costs be determined on the basis of those attained in Stage I after a hard scrutiny.

O. M. Bishop

O. M. Bishop

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

August 29, 1955

Re: DMEA-3858
Zinc-Copper
$190,652
Sidney Mining Co.
Nevada-Stewart Mine
Shoshone County,
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

August 29, 1955

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$190,652
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UNITED STATES
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BUREAU OF MINES
WASHINGTON 25, D. C.

August 29, 1955

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$190,652
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O. M. Bishop

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
AUG 19 1955

Act

August 15, 1955

Mr. George C.Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (zinc-lead-silver)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are four copies each of memoranda by Verne C. Fryklund, Jr., Geological Survey, and E. G. Erickson, Bureau of Mines that discuss the application by the Sidney Mining Company, Kellogg, Idaho to do exploration in the adjacent ground of the Nevada-Stewart Mining Company.

We recommended essentially the same exploration in this ground when the applicant was the Highland-Surprise Consolidated Mining Company (Docket No. DMEA-3341). The project will be done from a better shaft and the new applicant has proved very efficient in his present and past DMEA contracts; consequently we see no reason to alter our previous favorable recommendation.

We suggest that the proposal be approved but that the new work be made Stage II of an amended contract (Idm-E367). However, only tentative costs for Stage II should be set -- final costs, whether allowable maximum or unit -- should be set following an audit and analysis of the actual costs of Stage I, to be made when the drifting and cross-cutting of Stage I has progressed far enough to give a fair idea of the costs. An alternative suggestion is to write a letter of intent so that the company can make its long-range plans, but make the amendment later when more cost data is available.

The comments in your letter of July 11, 1955, are answered in the following paragraphs:

1. The applicant has been asked to supply a consent to lien.

2. Drifting costs will certainly be higher than $34/foot but an equitable cost cannot be determined at this time.

Reviewed by
DMEA OPERATING COMMITTEE
8-26-55
(date)

3. If the Nevada-Stewart work is approved, a suitable amendment can be prepared, as drifting to the boundary can be incorporated in any new (or amended) contract.

4. Drifting to the Highland-Surprise boundary will benefit the Government because the claim in question is included in the certified Highland-Surprise contract (Idm-E63).

By Field Team, Region I, Northwest Dist.

A. E. Weissenborn/O.H.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures as indicated

cc: USBM(2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
July 29, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Cost analysis, Docket No. DMEA 3858 (lead-zinc), Sidney Mining Company, Nevada-Stewart Mine, Shoshone County, Idaho

The Operator has estimated the following cost for the proposed work:

Drifting and crosscutting (8'x8')	
3400 feet @ $45.39/ft.	$154,326.00
Timbering	
850 feet @ $ 7.00/ft.	5,950.00
Core drilling	
8100 feet @ $ 3.75/ft.	30,375.00
Total cost	$190,651.00
Government's share - 50%	$ 95,325.00

The Operator's cost estimate is based on the size of their present operation. The proposed exploration will start after the present drifting and crosscutting has reached the Nevada-Stewart property, which is estimated will be sometime in March 1956.

The present fixed cost for drifting and crosscutting is $34.00/ft. It is believed that with the increased labor and material costs the actual cost will exceed the fixed cost. Present crosscutting and drifting is just getting started and will not be on cycle until sometime in August 1955 due to station,sump and pocket preparation.

It is recommended that approval of the project and the stipulating of fixed or maximum costs be deferred for at least five months when a reasonable amount of crosscutting and drifting will have been completed and the Operator's actual costs can be reviewed to determine realistic fixed or maximum allowable costs.

Reviewed by
DMEA OPERATING COMMITTEE
8-26-55
(date)

It is very possible that the Operator will have concurrent company operations on the new 2300 level which would reduce the pro-rated share of indirect costs for the exploration of the Nevada-Stewart area. The Operator's estimate does not reflect any costs pro-rated to a possible company operation below the main adit level.

The application and costs were discussed with Mr. Archie McKinley, mine manager. He was informed that it would be recommended that the Government defer stipulating fixed or maximum allowable costs for the proposed work in view of the fact that it should be possible to audit costs for drifting and crosscutting on the 2300 level under the present contract before work would start on the proposed extension. It was suggested that he keep detailed costs on the 2300 level work, which he said was being done.

Regarding drifting within 200 feet of the Nevada-Stewart east end line, the claim to the east (Renown) which we would be approaching is included in the Highland-Surprise contract that has been certified, and any discvery near its end line would benefit the Government. If drifting within the 200 feet of the east end line of the Nevada-Stewart claim is allowed, it might be advisable to include the Papesh claim which lies north of the Renown and east of the East Pine claim. The East Pine claim is included in the present application.

E. G. Erickson

E. G. Erickson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
EGE/he

DMEA

UNITED STATES
Department of the Interior
Geological Survey
So. 157 Howard Street
Spokane 4, Washington

August 4, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Fryklund, Jr., Geologist, U. S. Geological Survey

Subject: Examination report, Docket No. DMEA-3858 (zinc-lead-silver), Sidney Mining Company, Nevada-Stewart Mine, Shoshone County, Idaho

Introduction

The Sidney Mining Company is now deepening its shaft to the 2300 level under DMEA contract No. Idm-E367. After the shaft is sunk the company will drift eastward on the Sidney structure to the west boundary of the Nevada-Stewart property. In this new application the Sidney Mining Company proposes to extend the Sidney drift into Nevada-Stewart ground and also to explore the Nevada-Stewart veins by drifts, crosscuts, and diamond drilling. No field examination was made.

Summary and Recommendations

This is essentially the exploration proposed by the Highland-Surprise Consolidated Mining Company from their ground in the spring of 1954 (Docket No. DMEA-3341 (lead-zinc)). I prepared a report at that time (dated July 14, 1954) recommending a similar exploration. As the work was then to be through the Highland-Surprise shaft I suggested that exploration be conducted from two levels, the E-S 1450 and 700 levels. The Sidney exploration can only be on the 2300 level (about equivalent to E-S 1450 level); otherwise, my recommendations that the area warrants exploration are the same.

Location

The Nevada-Stewart property is in secs. 22, 23, 26, 27, 34, and 35, T. 48 N., R. 2 E., B. M., Shoshone County, Idaho.

The East Fork road from Pinehurst is blacktopped; the road from the East Fork of Pine Creek is a fair graveled road that is kept open in the winter.

Reviewed by
DMEA OPERATING COMMITTEE
8-26-55
(date)

Description of property

The Nevada-Stewart mine consists of one level. During previous work, air and equipment were provided by the Highland-Surprise mine.

General geology

The country rock of the Pine Creek area is principally Prichard formation, although east of the Highland-Surprise mine the Burke formation is present. The Prichard formation has been divided into lower and upper members. The lower Prichard is "thin to thick bedded, light to dark gray argillite, laminated in part," interbedded with "white to light gray, subvitreous to vitreous quartzite" (Explanation on USGS map "Smelterville and Vicinity Quadrangle"). The upper Prichard is described as "thin- to thick-bedded, light gray to white, pure to argillaceous quartzite interbedded with thinly laminated, dark gray argillite." Argillite in this case is a district term and much of the argillite is actually very fine-grained, dark quartzite; in other districts much of the thickly bedded material would be called graywacke. Other portions might well be classified as shales and slates.

Bedding attitudes in the vicinity of the Nevada-Stewart mine are diverse, but in general show a northwesterly strike and a southerly dip.

Economically, the most significant structural feature of the Pine Creek area is the Yreka shear zone. The productive mines in the Pine Creek area, except for the Douglas and Constitution mines, are on this shear zone. The productive veins are: the Sunset, the Denver, the New vein in Nabob mine, the Sidney, those in the Nevada-Stewart mine, the Surprise, and the Highland vein.

Productive veins of the Pine Creek area, except for the stibnite-bearing veins, are composed mainly of pyrite, carbonates, dark glassy quartz, pyrrhotite, sphalerite, and galena. Pyrrhotite is abundant, and it is the characteristic gangue mineral.

Geology of the Nevada-Stewart area

The surface geology of the Nevada-Stewart area is shown on the "Smelterville and Vicinity Quadrangle," placed on open file by the U. S. Geological Survey in 1953. The area was trenched in 1948, but the trenches are now caved and cannot be remapped. I have seen detailed maps in the files of other operating companies that show the existence of several west-trending structures in the area.

The Nevada-Stewart area was drilled by the Bureau of Mines in 1944. No Report of Investigations was published, but the surface geology was mapped by F. C. Armstrong of the Geological Survey--who also logged the core--and a Strategic Minerals Investigations map was put on open file (Portion of Nevada-Stewart Property).

Ore Reserves

Reserves in the Nevada-Stewart mine are minor and there is no justification for figuring any inferred tonnage below the adit level with present meager information.

Of some interest, however, are the production figures from the Sidney mine, immediately to the west, and the Highland-Surprise mine, immediately to the east. The Highland-Surprise mine (figures to end of 1953) has produced 512,778 tons of ore from which 66,072,593 pounds of zinc and 21,478,828 pounds of lead have been recovered. The Sidney mine from 1921 to the end of 1953 produced 812,806 tons of ore from which 152,864,000 pounds of zinc and 77,992,000 pounds of lead were recovered.

These figures have considerable significance in view of the fact that the two properties lie in the Yreka shear zone, and are on each side of the target area.

Exploration in the Pine Creek area

Inasmuch as the preponderance of productive mines are on the Yreka shear zone, it would appear that the most suitable targets for exploration in the Pine Creek area are the unexplored portions of the shear zone. As shown on Nelson and Smith's map of the area (Surface Geology of the Pine Creek area, Shoshone County, Idaho, Strategic Minerals Investigation Preliminary Map), several unexplored gaps occur along the Yreka zone. One such is the deep zone between the Nevada-Stewart west end line and the Highland-Surprise mine workings.

Applicant's proposal

The applicant's proposal includes 3,400 feet of drifting and crosscutting and 8,100 feet of diamond drilling. The exploration is designed to explore from the Surprise vein on the south (by two 1,200-foot drill holes) to the Nevada-Stewart veins on the north.

The position of drifts and crosscuts cannot be determined with certainty at present although work will probably be started on the Sidney structure. Any contract should be written in general terms only, specifying amounts of work to be done with a provision that the work done must have the prior consent of the Field Team.

The proposal of the applicant seems sound and I recommend an exploration project essentially as presented by the applicant.

Distribution:
DMEA (4)
USBM (2)
USGS (SRO)
Docket
Fryklund

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
No. 157 Howard Street
Spokane 4, Washington

RECEIVED
AUG 19 1955

August 15, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3858 (zinc-lead-silver)
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Nevada-Stewart Mine
Shoshone County, Idaho

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We suggest that the proposal be approved but that the new work be made Stage II of an amended contract (Ida-2367). However, only tentative costs for Stage II should be set -- final costs, whether allowable maximum or unit -- should be set following an audit and analysis of the actual costs of Stage I, to be made when the drifting and cross-cutting of Stage I has progressed far enough to give a fair idea of the costs. An alternative suggestion is to write a letter of intent so that the company can make its long-range plans, but make the amendment later when more cost data is available.

The comments in your letter of July 11, 1955, are answered in the following paragraphs:

1. The applicant has been asked to supply a consent to lien.

2. Drifting costs will certainly be higher than $34/foot but an equitable cost cannot be determined at this time.

3. If the Nevada-Stewart work is approved, a suitable amendment can be prepared, as drifting to the boundary can be incorporated in any new (or amended) contract.

4. Drifting to the Highland-Surprise boundary will benefit the Government because the claim in question is included in the certified Highland-Surprise contract (Idm-265).

By Field Team, Region I, Northwest Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing S. Agnew, Member
U. S. Bureau of Mines

Enclosures as indicated

cc: USGS(2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington
July 29, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Cost analysis, Docket No. DMEA 3858 (lead-zinc), Sidney Mining Company, Nevada-Stewart Mine, Shoshone County, Idaho

The Operator has estimated the following cost for the proposed work:

Drifting and crosscutting (8'x8')	
3400 feet @ $45.39/ft.	$154,326.00
Timbering	
850 feet @ $ 7.00/ft.	5,950.00
Core drilling	
8100 feet @ $ 3.75/ft.	30,375.00
Total cost	$190,651.00
Government's share - 50%	$ 95,325.00

The Operator's cost estimate is based on the size of their present operation. The proposed exploration will start after the present drifting and crosscutting has reached the Nevada-Stewart property, which is estimated will be sometime in March 1956.

The present fixed cost for drifting and crosscutting is $34.00/ft. It is believed that with the increased labor and material costs the actual cost will exceed the fixed cost. Present crosscutting and drifting is just getting started and will not be on cycle until sometime in August 1955 due to station, sump and pocket preparation.

It is recommended that approval of the project and the stipulating of fixed or maximum costs be deferred for at least five months when a reasonable amount of crosscutting and drifting will have been completed and the Operator's actual costs can be reviewed to determine realistic fixed or maximum allowable costs.

It is very possible that the Operator will have concurrent company operations on the new 2300 level which would reduce the pro-rated share of indirect costs for the exploration of the Nevada-Stewart area. The Operator's estimate does not reflect any costs pro-rated to a possible company operation below the main adit level.

The application and costs were discussed with Mr. Archie McKinley, mine manager. He was informed that it would be recommended that the Government defer stipulating fixed or maximum allowable costs for the proposed work in view of the fact that it should be possible to audit costs for drifting and crosscutting on the 2300 level under the present contract before work would start on the proposed extension. It was suggested that he keep detailed costs on the 2300 level work, which he said was being done.

Regarding drifting within 200 feet of the Nevada-Stewart east end line, the claim to the east (Renown) which we would be approaching is included in the Highland-Surprise contract that has been certified, and any discovery near its end line would benefit the Government. If drifting within the 200 feet of the east end line of the Nevada-Stewart claim is allowed, it might be advisable to include the Papesh claim which lies north of the Renown and east of the East Pine claim. The East Pine claim is included in the present application.

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
EGE/he

E. G. Erickson

UNITED STATES
Department of the Interior
Geological Survey
So. 157 Howard Street
Spokane 4, Washington

August 4, 1955

Memorandum

To: DMEA Field Team, Region I, Northwest District

From: Verne C. Fryklund, Jr., Geologist, U. S. Geological Survey

Subject: Examination report, Docket No. DMEA-3858 (zinc-lead-silver), Sidney Mining Company, Nevada-Stewart Mine, Shoshone County, Idaho

Introduction

The Sidney Mining Company is now deepening its shaft to the 2300 level under DMEA contract No. Idm-E367. After the shaft is sunk the company will drift eastward on the Sidney structure to the west boundary of the Nevada-Stewart property. In this new application the Sidney Mining Company proposes to extend the Sidney drift into Nevada-Stewart ground and also to explore the Nevada-Stewart veins by drifts, crosscuts, and diamond drilling. No field examination was made.

Summary and Recommendations

This is essentially the exploration proposed by the Highland-Surprise Consolidated Mining Company from their ground in the spring of 1954 (Docket No. DMEA-3341 (lead-zinc)). I prepared a report at that time (dated July 14, 1954) recommending a similar exploration. As the work was then to be through the Highland-Surprise shaft I suggested that exploration be conducted from two levels, the H-S 1450 and 700 levels. The Sidney exploration can only be on the 2300 level (about equivalent to H-S 1450 level); otherwise, my recommendations that the area warrants exploration are the same.

Location

The Nevada-Stewart property is in secs. 22, 23, 26, 27, 34, and 35, T. 48 N., R. 2 E., B. M., Shoshone County, Idaho.

The East Fork road from Pinehurst is blacktopped; the road from the East Fork of Pine Creek is a fair graveled road that is kept open in the winter.

Description of property

The Nevada-Stewart mine consists of one level. During previous work, air and equipment were provided by the Highland-Surprise mine.

General geology

The country rock of the Pine Creek area is principally Prichard formation, although east of the Highland-Surprise mine the Burke formation is present. The Prichard formation has been divided into lower and upper members. The lower Prichard is "thin to thick bedded, light to dark gray argillite, laminated in part," interbedded with "white to light gray, subvitreous to vitreous quartzite" (Explanation on USGS map "Smelterville and Vicinity Quadrangle"). The upper Prichard is described as "thin- to thick-bedded, light gray to white, pure to argillaceous quartzite interbedded with thinly laminated, dark gray argillite." Argillite in this case is a district term and much of the argillite is actually very fine-grained, dark quartzite; in other districts much of the thickly bedded material would be called graywacke. Other portions might well be classified as shales and slates.

Bedding attitudes in the vicinity of the Nevada-Stewart mine are diverse, but in general show a northwesterly strike and a southerly dip.

Economically, the most significant structural feature of the Pine Creek area is the Yreka shear zone. The productive mines in the Pine Creek area, except for the Douglas and Constitution mines, are on this shear zone. The productive veins are: the Sunset, the Denver, the New vein in Nabob mine, the Sidney, those in the Nevada-Stewart mine, the Surprise, and the Highland vein.

Productive veins of the Pine Creek area, except for the stibnite-bearing veins, are composed mainly of pyrite, carbonates, dark glassy quartz, pyrrhotite, sphalerite, and galena. Pyrrhotite is abundant, and it is the characteristic gangue mineral.

Geology of the Nevada-Stewart area

The surface geology of the Nevada-Stewart area is shown on the "Smelterville and Vicinity Quadrangle," placed on open file by the U. S. Geological Survey in 1953. The area was trenched in 1948, but the trenches are now caved and cannot be remapped. I have seen detailed maps in the files of other operating companies that show the existence of several west-trending structures in the area.

The Nevada-Stewart area was drilled by the Bureau of Mines in 1944. No Report of Investigations was published, but the surface geology was mapped by F. C. Armstrong of the Geological Survey--who also logged the core--and a Strategic Minerals Investigations map was put on open file (Portion of Nevada-Stewart Property).

Ore Reserves

Reserves in the Nevada-Stewart mine are minor and there is no justification for figuring any inferred tonnage below the adit level with present meager information.

Of some interest, however, are the production figures from the Sidney mine, immediately to the west, and the Highland-Surprise mine, immediately to the east. The Highland-Surprise mine (figures to end of 1953) has produced 512,778 tons of ore from which 66,072,593 pounds of zinc and 21,478,828 pounds of lead have been recovered. The Sidney mine from 1921 to the end of 1953 produced 812,806 tons of ore from which 152,864,000 pounds of zinc and 77,992,000 pounds of lead were recovered.

These figures have considerable significance in view of the fact that the two properties lie in the Yreka shear zone, and are on each side of the target area.

Exploration in the Pine Creek area

Inasmuch as the preponderance of productive mines are on the Yreka shear zone, it would appear that the most suitable targets for exploration in the Pine Creek area are the unexplored portions of the shear zone. As shown on Nelson and Smith's map of the area (Surface Geology of the Pine Creek area, Shoshone County, Idaho, Strategic Minerals Investigation Preliminary Map), several unexplored gaps occur along the Yreka zone. One such is the deep zone between the Nevada-Stewart west end line and the Highland-Surprise mine workings.

Applicant's proposal

The applicant's proposal includes 3,400 feet of drifting and crosscutting and 8,100 feet of diamond drilling. The exploration is designed to explore from the Surprise vein on the south (by two 1,200-foot drill holes) to the Nevada-Stewart veins on the north.

The position of drifts and crosscuts cannot be determined with certainty at present although work will probably be started on the Sidney structure. Any contract should be written in general terms only, specifying amounts of work to be done with a provision that the work done must have the prior consent of the Field Team.

The proposal of the applicant seems sound and I recommend an exploration project essentially as presented by the applicant.

Distribution:
DMEA (4)
USBM (2)
USGS (SRO)
Docket
Fryklund

RECEIVED
AUG - 8 1955

xxxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 3, 1955

Docket
Alb
Betty

Mr. F. E. Marler, Jr.
Sidney Mining Company
102 Sidney Bldg.
Kellogg, Idaho

Re: DMEA application (lead-zinc-silver)
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Marler:

In connection with your recent application to do work on Nevada-Stewart ground, it will be necessary to have Owner's Consent to Lien forms signed by an official of the Nevada-Stewart Mining Company.

Please have all copies of the enclosed form completed and signed and return six to this office.

Very truly yours,

Verne C. Fryklund, Jr.
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures as indicated
cc: DMEA (2)
USBM (2)
geologist

File Copy
Surname

J.W. Ad
Original
Selfridge
FBJohnson

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

JUL 11 1955

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

A review of the cited application, of which you have retained a copy, indicates that in the event you consider the project favorably there are a few items we wish to point out to you, such as:

The Applicant should be requested to supply a Consent to Lien.

The cost of drifting and crosscutting as submitted by the Applicant is high. In Amendment No. 1, Sidney Mining Company, Docket No. DMEA-2351, the agreed unit cost for crosscutting and/or drifting on the 2300 level is $34.00 per foot. The Applicant's estimate for this work on the same level extended is $45.39.

Amendment No. 1 of the present Sidney contract allows the Operator to drift not closer than 200 feet from their boundary. If a new contract is granted to this company to explore the Nevada-Stewart property an amendment would be necessary to allow the Operator to drift to the boundary.

The Applicant proposes to drift to the east end line of the Nevada-Stewart property and to diamond drill near this line. To conform with our practice, there should be no work allowed nearer than 200 feet of this east end line.

For your information we are enclosing the memorandums from J. H. Hedges, USBM, dated June 23, 1955 and Thor H. Kiilsgaard, USGS, dated July 6.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

Enclosures

APPROVED:

/s/ Robert W. Geehan (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

R.C.S.

JWAlt/er 7/8/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

File Copy
Surname
J.W. Alt
Grunwald
Heckman
Kiilsgaard
Selfridge
Zimmer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 11 1955

Mr. Fred E. Marler, Jr.
Secretary-Treasurer
Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

Re: Docket No. DMEA-3858 (Lead-Zinc)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Marler:

Your application for Government assistance to explore your property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and has been referred to:

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

If the Field Team desires additional information they will contact you at an early date. Any assistance that you may give the Field Team will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JWAlt/er 7/8/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region I (2)
Chron.

R.C.L.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JUL - 6 1955

July 6, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Thor H. Kiilsgaard, U. S. Geological Survey

Subject: Review of DMEA application submitted by Sidney Mining Co., Shoshone Co., Idaho, DMEA Docket 3858.

The applicant plans to explore the Nevada-Stewart mine by extending the proposed 2300 level of the Sidney mine eastward, beyond the limit of the existing Sidney DMEA project, to the east end line of the Nevada-Stewart property, a distance estimated at 3400 feet. From this drift a series of holes are to be diamond drilled to test parallel strands of the Nevada-Stewart and Surprise vein systems. Estimated costs of the proposed project are $45.39 per foot of "bald" drift and/or crosscut -- with an additional $7.00 per foot for timber --, and $3.75 per foot for diamond drilling. Total project costs are estimated at $190,652.70.

The proposed project is designed to test the same objectives as were to have been explored under the Highland-Surprise contract, DMEA Docket 3341, a project withdrawn at request of the Operator before work commenced. In the Highland-Surprise contract the 1450 level was to have been extended westward on the Surprise vein into Nevada-Stewart property. At a certain point in the drift, a crosscut was to have been turned to the north to cut the Nevada-Stewart vein system, which was then to have been explored by drifting. In the present proposal, the 2300 east drift of the Sidney shaft will drift on whichever of the Nevada-Stewart strands proves to be most favorable from information obtained in the existing Sidney contract, the drift proceeding to a point N. 12° E. and 470 feet distant from the present western face of the Highland-Surprise 1450 level. There could be a slight difference in elevation of the two levels, although both plot on the same level in longitudinal section and no doubt the proposed Sidney 2300 level will be so located as to make a connection with the Highland-Surprise 1450 level. Relative positions of the Sidney, Nevada-Stewart, and Highland-Surprise mines can be readily ascertained by reviewers as maps of the three mines, in DMEA possession, are on the same coordinate system.

There appears to be no reason for a detailed field examination of the applicant's property. The reasons for doing the work are as valid on this contract as they were on the withdrawn Highland-Surprise contract, which was ably supported by Field Team reports. The only difference is that work will be done through the Sidney shaft instead of the Highland-Surprise, and in this respect the present proposal should be better than the past one because the Sidney shaft is a better working shaft than is the Highland-Surprise shaft.

The following points might be checked by the Field Team in their analysis on the applicant's proposal:

1. There appears to be more claims given in the application than are needed to cover the ground to be explored. I cannot see any reason why unpatented claims south of the Rocky Point need be subjected to contract terms.

2. The applicant proposes to test the Surprise vein in diamond drill holes No. 1, 2, and 3. Of these, No. 3 is not long enough to reach the Surprise vein (the applicant appears to have confused the surface trace of the vein with its projected location on the 1450 level).

3. To conform with DMEA practice, the drifting should be stopped at least 200 feet short of the east end line of the Nevada-Stewart property.

4. Careful attention should be given by the Field Team to the applicant's proposed costs. In this respect, I note from a copy of the Highland-Surprise withdrawn contract that $39 per foot was allowed for drifting, $5 a foot for timbering, and $4.25 per foot for drilling. This allowance contrasts with the $45.39 per foot for drifting, $7 per foot for timbering, and $3.75 per foot of drilling requested by the applicant. As the Sidney shaft is reportedly a better working shaft, and as proposed drifting will be off the newer and supposedly better conditioned 2300 level, it would seem that, if anything, costs through the Sidney should be cheaper than through the Highland-Surprise.

I recommend that the application be referred to the Field Team for their analysis. A contract appears to be justified. If a contract is negotiated it is suggested that it be, in part, contingent upon the results obtained in the present Sidney contract.

Thor H. Kiilsgaard

Thor H. Kiilsgaard

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JUL - 6 1955

July 6, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Thor N. Killsgaard, U. S. Geological Survey

Subject: Review of DMEA application submitted by Sidney Mining Co., Shoshone Co., Idaho, DMEA Docket 3858.

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The following points might be checked by the Field Team in their analysis on the applicant's proposal:

1. There appears to be more claims given in the application than are needed to cover the ground to be explored. I cannot see any reason why unpatented claims south of the Rocky Point need be subjected to contract terms.

2. The applicant proposes to test the Surprise vein in diamond drill holes No. 1, 2, and 3. Of these, No. 3 is not long enough to reach the Surprise vein (the applicant appears to have confused the surface trace of the vein with its projected location on the 1450 level).

3. To conform with DMEA practice, the drifting should be stopped at least 200 feet short of the east end line of the Nevada-Stewart property.

4. Careful attention should be given by the Field Team to the applicant's proposed costs. In this respect, I note from a copy of the Highland-Surprise withdrawn contract that $39 per foot was allowed for drifting, $5 a foot for timbering, and $4.25 per foot for drilling. This allowance contrasts with the $45.39 per foot for drifting, $7 per foot for timbering, and $3.75 per foot of drilling requested by the applicant. As the Sidney shaft is reportedly a better working shaft, and as proposed drifting will be off the newer and supposedly better conditioned 2300 level, it would seem that, if anything, costs through the Sidney should be cheaper than through the Highland-Surprise.

I recommend that the application be referred to the Field Team for their analysis. A contract appears to be justified. If a contract is negotiated it is suggested that it be, in part, contingent upon the results obtained in the present Sidney contract.

Ther N. Kiilsgaard

TNKiilsgaard:iml
G-7/6/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
O. M. Bishop, 3617

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

RECEIVED
JUN 24 1955
6/27/55 - Rec'd Dig. Div.

June 23, 1955

Memorandum

To: W. R. Griswold, Chief, Base Metals Division, DMEA

From: J. H. Hedges

Subject: DMEA 3858 (Zinc-Lead) - Sidney Mining Company
Nevada-Stewart Project

The proposal to extend the 2300 level of the Sidney mine 3400 feet through Nevada-Stewart ground is in effect an extension of the existing contract with Sidney Mining Company (DMEA 2351 - Idm-E367). Under the terms of this contract sinking of the Sidney shaft to the 2300 level is just about completed and drifting east and west from the shaft at this level probably will be under way in July. The east drift will reach the Nevada-Stewart property line at about 1750 feet from the Sidney shaft.

Decision on the present application should be postponed until work on the 2300 level is well along and we have some indication of the probable results of deep level development in this area. If additional work is eventually approved it probably should be handled as an amendment to the existing contract.

J. H. Hedges

J. H. Hedges

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

RECEIVED
JUN 24 1955

June 23, 1955

Memorandum

To: W. R. Griswold, Chief, Base Metals Division, DMEA

From: J. H. Hedges

Subject: DMEA 3858 (Zinc-Lead) - Sidney Mining Company
Nevada-Stewart Project

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J. H. Hedges

J. H. Hedges

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 20, 1955
Subject: DMEA-3858
Re: Exploration Assistance
Nevada-Stewart Mine

Sidney Mining Co.
102 Sidney Building
Kellogg, Idaho

Gentlemen:

The receipt of your application dated June 10, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3858 and referred to the Base Metals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 20, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region I

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region I.

DMEA-3858 Sidney Mining Co.

Robert E. Adams
Chief, Operation's Control
and Statistics Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUN 20 1955

June 14, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: DMEA application (lead-zinc-silver)
Sidney Mining Company
Nevada-Stewart Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Enclosed are the original and two copies of an application submitted by the Sidney Mining Company of Kellogg, Idaho.

The applicant wishes to explore in Nevada-Stewart ground, just east of the Sidney property, from the new 2300 level soon to be cut in the Sidney mine (see Docket No. DMEA-2351, lead-zinc).

The application is similar to that submitted by the Highland-Surprise Consolidated Mining Company last year which was recommended by us and then was withdrawn by the applicant.

An appraisal of the project will be submitted some time next month. The applicant does not plan to start work on the project until next March.

Sincerely,

Verne C. Fryklund, Jr.

Verne C. Fryklund, Jr.
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I
Northwest District

Enclosures

cc: USBM (2)
Fryklund

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUN 13 1955
U. S. G. S.
SPOKANE, WASH.

RECEIVED
JUN 20 1955

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

Not to be filled in by applicant

Docket No. 3858
Metal or Mineral Zinc-Lead-Silver
Date Received 6/20/55
Estimated Cost $190,652.70
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

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

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

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

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

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

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise

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

(*e*) If you own the land, describe any liens or encumbrances on it

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

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

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....

.....

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

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

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

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

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

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

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

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

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated June 10, 1955

Sidney Mining Company
(Applicant)

By Fred E. Marler, Jr.

Fred E. Marler, Jr.

Secretary - Treasurer

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

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

Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

RECEIVED
JUN 20 1955

1. a. Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

b. Incorporated under the laws of the State of Idaho.

c. M. C. Brown, President — Kellogg, Idaho
W. A. Beaudry, Vice-President — Seattle, Washington
Fred E. Marler, Jr., Sec.-Treas. — Kellogg, Idaho

3. a. The property of the Nevada Stewart Mining Company is located in the Pine Creek Section of the Yreka Mining District, Shoshone County, Idaho in sections 22, 23, 26, 27, 34 and 35, Township 48 north, Range 2 East, Boise meridian.

The exact area upon which the exploration is to be conducted consists of all ground embraced within the Nevada Stewart property, covered by the following claims:

Patented Claims

Mineral Survey No. 2415
Red Cloud
Mineral Survey No. 3343
Fresno
East Pine
Stewart Fraction
Nevada Stewart
Independence

Unpatented Claims

Chance Fraction
Chance (amended)
Silver Dime
Waho
Farragut
Wayne
Rocky Point
Rocky Point No. 2
Last Chance
Silver Reef
Hazeltine
Camell Fraction

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3. b. Nevada-Stewart Mine

c. The Nevada-Stewart Mining Company is the sole owner of the property described above. The Sidney Mining Company has a perpetual working agreement, on the property described above, with the Nevada-Stewart Mining Company.

d. See attached agreement, dated December 29, 1954.

e. None

f. The following claims, unpatented are recorded in the Office of the Shoshone County Recorder, Wallace, Idaho in the Book of Quartz Claims and pages listed below:

	Book	Page
Wayne	14	348
Chance (amended)	15	96
Chance Fraction	16	360
Rocky Point	21	349
Farragut	23	500
Camell Franction	23	518
Hazeltine	23	518
Silver Dime	23	519
Rocky Point No. 2	26	22
Waho	27	462
Last Chance	27	170
Silver Reef	Not Recorded	

4. a. The Nevada-Stewart mine lies in the Yreka Shear Zone of Pine Creek, Shoshone County, Idaho and is bounded on the East by the Highland-Surporse mine and on the West by the Sidney mine. The lower adit lies 2 miles East on the County road running between Masonia and the Highland-Surprise mine, and is 20 feet North of this road.

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4. a. This mine was examined and mapped by Dr. J. D. Forrester in June, 1943. This work was done as part of the Strategic Minerals Investigations conducted by the U. S. Geological Survey. The attending report on this work contains an excellent description of this property at the time it was written. It was placed on open file and is available for examination through the Geological Survey. Since this examination was made the main adit level drift has been extended 3450 feet to the West. A raise was driven to the surface at a point 1100 feet West of the adit level cross-cut. On the main adit level of the Nevada-Stewart mine (elevation 3074 feet above sea level) there has been 5050 feet of drifting and 1400 feet of crossuctting. On the upper adit level (elevation 3140 feet above sea level) there has been 160 feet of crosscutting and 560 feet of drifting. Any ore developed in the Nevada-Stewart mine will be hoisted through the Sidney shaft and milled in the Sidney 250-ton mill, located on Red Cloud Creek.

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4. b. Recorded production from the Nevada-Stewart mine is as follows:

1952	Dry Tons	Assays Pb	Assays Ag*	Assays Zn	Gross Metallic Content in Pounds Pb.	Gross Metallic Content in Pounds Ag.Oz.	Gross Metallic Content in Pounds Zn.
August	40	2.20	0.77	2.70	1760	30.8	2160
September	96	2.68	0.94	2.95	5136	90.2	5664
October	190	1.75	0.56	2.43	6650	106.4	9234
November	51	1.79	0.54	2.74	1826	27.5	2795
Total	377	2.04	0.68	2.63	15372	254.9	19853

*Estimated from silver in concentrate.

This production came from a small stope on the raise to the surface in the West drift. This is shown on Exhibit 2. Two other small stopes were run in the Nevada-Stewart mine. One is located on the adit level and one on the upper Nevada-Stewart level. These are also shown on Exhibit 2. No record of the production from these stopes is available.

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4. c. The host rock of the Nevada-Stewart mine is Pritchard Argillite of the Belt series. The mineralization is fine grained Sphalerite, Galena, Pyrite and Quartz and is a hydrothermal vein deposit. The structure lies in the Yreka Shear Zone of Pine Creek. This is the zone in which the Highland-Surprise, Sidney, Denver, Nabob and Little Pittsburgh veins lie.

The Nevada-Stewart property is virtually unexplored, as only the one extensive level has been run on this property. A Number of down holes were drilled in 1945 by the Bureau of Mines, but these holes did not cut the main structure below the elevation of the adit level.

We wish to explore by drifting and diamond drilling this shear zone in the Nevada-Stewart ground at the elevation of the Sidney mine 2300 level. The elevation of this level is 1875 feet, which is 1200 feet below the lowest exploration done in the Nevada-Stewart mine to date.

4. d. The Nevada-Stewart mine is easily accessible from Kellogg, Idaho, the nearest shipping point, over 2 miles of graded mountain road and 12 miles of paved highway.

4. e. Adequate man-power, materials, supplies, equipment, water and electric power are available.

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5. a. Zinc-lead-silver ores.

b. Refer to the following maps and sections accompanying this application.

Exhibit 1. Sidney Property line, Nevada-Stewart Claims, showing present working of both the Sidney and Nevada-Stewart mines and proposed work in the Nevada-Stewart group of claims.

Exhibit 2. Longitudinal projection of the present workings of both the Sidney mine and the Nevada-Stewart mine showing proposed work.

We propose to extend the Sidney 2300 level east drift a distance of 3400 feet through the Nevada-Stewart property to the east end line.

The most promising structure encountered on the Sidney mine 2300 level east drift, as determined by crosscutting, drifting and diamond drilling on our DMEA 2351, Idm-E367 project, will be followed by this drift. As this drift progresses, cutouts will be made at about 300 foot intervals on both sides of the drift. These cutouts will be approximately 8 feet long, 6 feet deep and 10 feet high. They will serve the double purpose of car transfer and diamond drill stations. The estimated cost of these cutouts is distributed in the estimated cost of drifting and crosscutting. Several mineralized veins are exposed on the main adit level in the east end of the Nevada-Stewart mine.

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5. b. (con't) They have not contained commercial ore shoots on the upper levels but they might do so at this lower elevation. Therefore we propose to drill north at 300-foot intervals along the drift to check this mineralized zone. South of the drift the Surprise Vein structure strikes into Nevada-Stewart property. We propose to drill this structure in three places, as shown on Exhibit 1 in holes numbered 1, 2 and 3. This structure has produced commercial ore in the Highland-Surprise mine which adjoins the Nevada-Stewart on the east.

On this level the depth of holes should be as follows:

	13 holes	200 feet each
	1 "	700 " "
	2 "	600 " "
	1 "	500 " "
	1 "	400 " "
	1 "	300 " "
	2 "	1200 " "
Total	21 holes	8100 feet each

c. The work will start within 250 days and be completed within 24 months from the date of an exploration project contract.

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5. d. Applicant employed by Sullivan Mining Co., Kellogg, Idaho from 1939 to 1947 as Metallurgical accountant. Employed by Sidney Mining Co. in 1947 to date as Secretary-Treasurer. Also Secretary of Sunshine Consolidated, Inc. and Secretary and Director of Big Creek Apex Mining Company.

M. C. Brown, President of the Sidney Mining Company was employed as General Manager of Sidney Mining Co., June, 1943. Has been President of Sidney Mining Company since Sept. 1, 1953. Was previously employed by the Bunker Hill and Sullivan Mining & C. Co. from June, 1937 to June, 1943 as mucker, sampler, mining engineer and geologist B.S., College of Idaho, E.M. Colorado School of Mines.

Charles A. McKinley, Superintendent of Sidney Mining Co. from 1933 to 1934 worked as miner at the Nome Mine in Elk City, Idaho. 1934 to 1945 worked at the Page Mine, Page, Idaho as a timber repairman. From August, 1945 to May, 1946 was employed as Mill Superintendent for the Highland-Surprise Conc. Mining Co., Kellogg, Idaho. In May, 1946 was hired by the Sidney Mining Co. as Mill Superintendent and held this position until September, 1953 when he was made General Superintendent of the Sidney operation. On May 17, 1955 he was appointed General Manager of the Sidney Mining Company, Pine Creek operations, which position he holds to date.

6. a. None.

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c. b. Following is an itemized schedule of labor by numbers and classes and of supervisors, engineers, etc. by numbers and positions, with the corresponding wages and salaries based on the contract between the company and the I.U.M.M. & S.W. It is possible that this schedule may be revised in futute negotiations.

Classification	Number	Rate
Shaftmen (Repairman)	8	$ 16.61 Shift
Double Drum Hoistman	3	16.61
Cager	1	15.35
Drift Miners	8	15.77
Muckers	1	14.09
Nippers	1	14.93
Trammers	2	15.35
Timbermen	1	15.35
Single Drum Hoistman	1	15.35
Samplers	1	14.51
Mechanics	2	16.19
Electricians	2	16.19
Blacksmith	1	16.19
Drill Runner	1	15.77
Drill Helper	1	14.93
Assayer	1	450.00 Month
Engineer	1	470.00
Geologist	1	450.00
Foreman	1	497.00
Clerk	1	375.00

6. b. (con't) Following is a distribution of estimated labor costs per foot of crosscutting and drifting.

	Cost per Foot	Total Cost (3400 Ft.)
Direct Labor	$ 11.50	$ 39,100.00
Service Labor	4.75	16,150.00
Supervision	2.25	7,650.00
Engineer & Geologist	1.25	4,250.00
Clerk & Timekeeper	.85	2,890.00
Total	$ 20.60	$ 70,040.00

Note: We estimate that timbering may be necessary in 25% of the drift. The cost per-foot timbered would be increased $7.00 per foot.

Conforming with company practice it is proposed to pay the direct labor on a contract basis. It is estimated that the rate for drifts and crosscuts will be on a sliding scale with a lower limit of $9.50 per foot and an upper limit of $10.00 per foot. The above direct cost is an average cost including overtime pay.

6. c. Following is an itemized list of the estimated cost per foot and total cost of operating materials and supplies for crosscutting and drifting.

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6. c. (con't)	Estimated Cost Per Foot	Estimated Total Cost (3200 Ft.)
Rail	$ 1.55	$ 5,270.00
Pipe	1.63	5,542.00
Drill Steel	2.20	7,480.00
Bits	2.14	7,276.00
Explosives	5.81	19,754.00
Vent Pipe	1.32	4,488.00
Utilities	1.50	5,100.00
Total	$ 16.15	$ 54,910.00

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6. d. A complete list of operating equipment which will be furnished by the Company with rental for each item is as follows:

	Replacement Cost Each	Monthly Rental Each	Drift Estimated Rental Cost per Foot	Estimated Total Cost
1 Dillon Box Hoist	$ 14,000.00	$ 233.33	$ 0.4088	$ 1,389.92
1 4T Atlas Battery Loco.	9,722.89	162.05	0.2839	965.26
10 CDA Hdwe Rocker Dump Cars	525.00	8.75	0.1533	521.22
2 CDA Hdwe Skips	2,100.00	35.00	0.1266	416.84
5 TM-8 Coppus Fans	670.00	11.17	0.0978	332.52
1 Joy I-21 Fan	570.00	9.50	0.0166	56.44
4 1½ MRV 30 HP Motor Pump	900.00	15000	0.1051	357.34
1 1½ MRV 15 HP Motor Pump	500.00	8.33	0.0146	49.64
2 I-R Drill Boom	4,000.00	66.66	0.2336	794.24
6 I-R DA30 Leyner Drill	1,075.00	17.92	0.1833	640.22
1 Eimco Model 21 Mucker	4,435.00	73.92	0.1295	440.30
16 CDA Hdwe. 45 Cu.Ft. Ore Cars	410.00	6.83	0.1915	651.10
1 Mancha 2½ Ton Loco.	7,500.00	125.00	0.2190	744.60
2 Fans 2250 x 17 x 3450 Joy Axivane Fans	1,050.00	17.50	0.0613	208.42
2 Cherry Pickers or Car Transfers	250.00	4.17	0.0146	49.64
Total			$ 2,2405	$ 7,617.70

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6. e. Following is an itemized list of the estimated cost per-foot and total cost of miscellaneous charges for drifting.

	Estimated Cost Per-foot	Estimated Total Cost (3200 Ft.)
Rapairs	$ 3.00?	$ 10,200.00
Assaying	0.05	170.00
Liability Insurance & Industrial Compensation	2.00	6,800.00
Payroll Taxes	1.35	4,590.00
Total	$ 6.40	$ 21,760.00

No allowance should be necessary for contingencies not included in the cost estimates above. Following is a summary of the costs estimated for the entire project.

Crosscuts and Drifts (3400 Ft.)	Estimated Cost Per Unit	Estimated Total Cost
Labor	$ 20.60	$ 70,040.00
Materials and Supplies	16.15	54,910.00
Equipment Rental	2.2405	7,617.70
Miscellaneous	6.40	21,760.00
Total crosscuts and drifts	$ 45.3905	$ 154,327.70
Estimated timbered drift (.25 x 3400 = 850 Ft.)	7.00	5,950.00
Diamond Drilling (8100 Ft.)	3.75	30,375.00
Total project		$ 190,652.70

AGREEMENT

THIS AGREEMENT, Made and executed the 29th day of December, 1954, by and between SIDNEY MINING COMPANY, an Idaho corporation, Party of the First Part, hereinafter called "Sidney," and NEVADA-STEWART MINING COMPANY, an Idaho corporation, Party of the Second Part, hereinafter called "Nevada-Stewart,"

WITNESSETH:

RECITALS:

(a) Sidney is the owner of a group of patented and unpatented lode mining claims situated in Yreka Mining District, Shoshone County, Idaho, which is has successfully developed and is presently operating as a producing mine under the name of "Sidney Mine," and Nevada-Stewart is the owner of a group of patented and unpatented lode mining claims in an undeveloped state, which claims adjoin Sidney on the East.

(b) Sidney is presently extending its shaft to the twenty-three hundred foot (2300') level, which will be approximately twelve hundred feet (1200') below Nevada-Stewart's lowest tunnel level, with intermediate working levels above such depth, and at a great saving of cost and time the mining property owned by Nevada-Stewart can be advantageously explored for possible commercial ores from the workings within the Sidney Mine, and Nevada-Stewart is desirous that Sidney shall investigate and explore the property of Nevada-Stewart from the Sidney Mine workings, looking to the discovery of commercial ores, which, if discovered, may be developed and mined at great advantage from and through the workings of the Sidney Mine, and to that end it is the desire of Nevada-Stewart that Sidney shall take possession of its property for such purposes.

(c) The parties, considering the mutual advantages to be gained by reason of an exploration and development program to be undertaken by Sidney looking to the development of commercial ore in the property of Nevada-Stewart, execute this agreement for the purpose of extending to Sidney the opportunity to explore for ores and develop the property of Nevada-Stewart should commercial ore be discovered, at the same time clearly and explicitly setting forth the terms and conditions under which Sidney shall undertake such exploration and development looking to a return of its investment and providing for a division of the profits, should commercial ore be discovered and mined from the property of Nevada-Stewart.

NOW, THEREFORE, in consideration of the mutual promises and covenants to be kept and performed by each of the parties hereto, and the expenditures to be made by and on the part of Sidney Mining Company, and the mutual benefits to be derived therefrom, it is agreed between the parties as follows, to-wit:

1. Nevada-Stewart hereby grants to Sidney the full, sole and exclusive possession and control of its patented and unpatented lode mining claims, situated in Yreka Mining District, Shoshone County, Idaho, which it warrants and represents that it holds clear title to, in the case of its patented lode mining claims, and is entitled to the exclusive possession of in the case of its unpatented lode mining claims and holds possessory title to, subject only to the paramount title of the United States of America, which said claims are as follows, to-wit:

PATENTED MINING CLAIMS:

Name of Claim	Mineral Survey No.
Red Cloud	Mineral Survey No. 2415
Fresno	Mineral Survey No. 3343
East ~~Price~~	Mineral Survey No. 3343
Stewart Fraction	Mineral Survey No. 3343
Nevada-Stewart	Mineral Survey No. 3343
Independence	Mineral Survey No. 3343

and the following unpatented lode mining claims, Notices of Location of which are recorded in the office of the County Recorder of Shoshone County, Idaho, as follows, to-wit:

Name of Claim	Date Recorded	Book	Page
Wayne	10/11/15	14 of Mining Location Notices	348
Chance (amended)	7/25/16	15 of Mining Location Notices	96
Chance Fraction	7/17/16	16 of Mining Location Notices	360
Rocky Point	3/31/28	21 of Mining Location Notices	349
Farragut	8/26/43	23 of Mining Location Notices	500
Camell Fraction	8/22/45	23 of Mining Location Notices	518
Hazeltine	8/22/45	23 of Mining Location Notices	518
Silver Dime	8/22/45	23 of Mining Location Notices	519
Rockey Point No. 2	8/31/36	26 of Mining Location Notices	22
Waho	5/22/45	27 of Mining Location Notices	462
Last Chance	8/24/40	27 of Mining Location Notices	48
Silver Reef			

and Nevada-Stewart further grants to Sidney the right to enter upon and into and take possession of the foregoing property and all thereof and to occupy the same during the life of this agreement, with the authority to examine, explore, sample, develop, equip and operate said property in whatever manner seems to Sidney most suitable in its uncontrolled discretion, and to sell or otherwise market all ores or other materials mined thereon and therefrom.

2. The term of this agreement shall be perpetual, subject, however, to earlier termination as in this agreement hereinafter provided.

3. Nevada-Stewart is fully advised that at the present time Sidney is engaged in deepening its mining shaft to the twenty-three hundred foot (2300') level and is advised and fully understands that it is the intent and purpose of Sidney to conduct any original exploration work in the Nevada-Stewart property from Sidney's 2300-foot level, subsequent to the completion of its shaft to that depth. The parties are in agreement that at this time it would not be feasible to project a date upon which Sidney would commence any exploration into the property of Nevada-Stewart, but it is understood that at such time as Sidney has developed its 2300-foot level workings to the boundary line of Nevada-Stewart that Sidney will at that time undertake and carry forward an exploration project into the property of Nevada--Stewart in a search for commercial ores. In any event, and throughout the life of this agreement, Sidney agrees that it will be responsible for and perform the annual representation work necessary to keep all of the unpatented claims of Nevada-Stewart in good standing and will file in the name of Nevada-Stewart the annual Proofs of Labor on said unpatented lode mining claims.

4. If, as a result of the exploration work conducted by Sidney, ore is discovered in the property of Nevada-Stewart which in the sole judgment of Sidney warrants and justifies further exploration and development of Nevada-Stewart's property, Sidney shall have the right to continuously conduct operations upon said property in accordance with good mining practice and as labor conditions will warrant and permit, looking to the development of said property as a profitable, producing mine and will advance all monies needed in connection with said development program.

At such time as Sidney, in the course of its development of the 2300-foot level in its own property, reaches the boundary line of Nevada-Stewart's property it agrees to proceed with exploration of Nevada-Stewart's property with reasonable diligence in the light of available manpower, equipment and supplies, provided that if Sidney shall suspend operations in Nevada-Stewart's property for a continuous period of three (3) years at any time during the life of this agreement then, and in such event, Nevada-Stewart may, at its option, terminate this agreement by giving Sidney sixty (60) days notice in writing of such termination. During such sixty (60) day period Sidney shall have the right to remove from said property all supplies, tools, implements, equipment and machinery which it may have placed or installed in or upon said property.

5. If commercial ore is discovered and developed so that the property of Nevada-Stewart is placed on a producing and profitable basis, Sidney shall be entitled to receive ninety percent (90%) of the first net profits therefrom to reimburse itself for all its advances made in the exploration and development of Nevada-Stewart's property, and Nevada-Stewart during such time shall be entitled to receive ten percent (10%) of such net profits; and after the total repayment to Sidney of all advances so made, the net profits shall be divided between Sidney and Nevada-Stewart as follows:

Sixty-five percent (65%) to Sidney, and

Thirty-five percent (35%) to Nevada-Stewart

6. It is expressly understood and agreed that any losses incurred in any quarterly period or periods after production from said property begins shall be carried forward and deducted from the profits of the following quarters.

7. The term "net profits" as used herein shall be determined by deducting from the net smelter proceeds of concentrates and/or crude ore or other products marketed from the property the total expenses of whatsoever nature in connection with the maintenance and operation of the said property, including payment of social security taxes, unemployment compensation taxes, Idaho mine license and net profit taxes, real and personal property taxes and all other taxes that may be levied and assessed as an excise on the product of the property or the transportation thereof, or as a license upon the operation of the property. Any premium or subsidy payment shall be considered as part of the proceeds derived from the sale of the product produced, except where prohibited by law or regulation promulgated pursuant thereto.

8. Each party to this agreement shall be entitled to its own depletion credits and the depletion allowance shall be apportioned between the parties in the same ratio as net profits are shared.

9. Nevada-Stewart is fully informed and understands that in the practical conduct of mining operations within its own property and in the development and production of ore in Nevada-Stewart, Sidney will necessarily co-mingle ores and Nevada-Stewart agrees that in the conduct of its operations Sidney may co-mingle Nevada-Stewart's products with other ores, but shall keep an accurate record of all cars of ore from Nevada-Stewart property, and shall sample all such ore before mixing with other ores, and the average dry weight of said cars of ore shall be periodically determined by a method satisfactory to both parties, and for the purpose of arriving at the proceeds from Nevada-Stewart ore the production of concentrates from such property will be computed on each months production by the application of assay values to dry tonnage weights and then reduced to the calculated mill recovery of the ore from Nevada-Stewart's property.

10. Nevada-Stewart is fully apprised of the fact that Sidney may wish to obtain a loan from the United States Government to assist it in financing any exploration and development program upon the property of Nevada-Stewart, and Nevada-Stewart agrees that it will in any manner required assist Sidney in making application for and obtaining such a loan. Nevada-Stewart further fully understands and agrees to any condition of such a loan that would require the same to be made repayable at a fixed royalty rate upon ores produced from Nevada-Stewart's property, and agrees that such government royalty paid shall properly be added as a cost of operation in the computing of net profits. Sidney shall charge to exploration and development all costs actually expended by Sidney, less the amounts repaid Sidney by the government.

11. At all reasonable times the accredited representatives of Nevada-Stewart shall have access to the property covered hereby, to the plants handling the ores and to the metallurgical and financial records and to the maps pertaining thereto, so as to be currently informed and assured as to the correctness of the accounts which Sidney shall render as soon as conveniently possible after the termination of each quarterly period, and Nevada-Stewart shall have sixty (60) days from the date of mailing the said quarterly accounts within which to examine the same and object thereto in writing if any error is found therein, it being understood and agreed that failing such objection within said period the accounts shall be considered correct. The right of Nevada-Stewart's representatives to enter said mining property and the plants of Sidney shall be at Nevada-Stewart's sole risk; and Nevada-Stewart shall indemnify and hold Sidney harmless from any damage, claim or demand by reason of injury to or presence of Nevada-Stewart's representatives at said property or plants.

12. Sidney shall not be required to mine, mill or otherwise operate the said property during such time as it shall be prevented from doing so by causes beyond its control, including labor troubles or when the lower grade of the ores or low metal prices shall render operations hereunder unprofitable, and during any such period or periods Sidney shall be excused from performance hereunder, excepting only the obligations to take care of said property as though it were the owner thereof and to maintain the same free from any lien resulting from its occupation or operation, provided, however, that upon the removal of the cause of disability or of unprofitable conditions Sidney shall promptly resume and continue its operations under this agreement.

13. In the event that commercial ore is discovered in Nevada-Stewart's property and mining operations are thereafter conducted upon the property, if at any time such operations become unprofitable, whether by reason of ores of low grade or otherwise, development and other expenditures made by Sidney in an endeavor to restore the said property to profitable operation shall be considered as expenditures by Sidney under clause 4 hereof and shall be reimbursed to Sidney as provided in clause 5 hereof.

14. It is understood and agreed that if any controversy or dispute shall arise between the parties hereto with respect to the provisions of this agreement or with respect to any item or thing done or omitted to be done by either of the parties hereto, such controversy or dispute shall be settled, if possible, by conferences between the managements of the respective parties, but if such controversy or dispute cannot be so settled, then the same shall be referred to and settled by the decision of a majority of a panel of three (3) arbitrators. One member of such panel shall be chosen by Sidney, one member by Nevada-Stewart, and the two members thus chosen shall select the third member to sit on the arbitration. Any and all data which shall be requested by such panel shall be promptly furnished by the

party in possession of the same and said panel's determination of such question or questions by a majority vote of the members of said panel shall be accepted as final and binding.

15. In the event that Sidney shall default in the performance of any of the terms of this agreement, Nevada-Stewart may, at its option, give notice in writing that Sidney is in default specifying the particulars of such default and requiring Sidney to correct the same or forfeit the contract. In the event that Sidney shall not commence the correction of such default within thirty (30) days after the service of such notice of default then Sidney shall be deemed to have forfeited under this contract and the same shall thereupon immediately terminate. However, should Sidney dispute the fact as to its being in default under the terms and conditions of this contract, then the question as to whether or not a default, in fact, exists shall be referred to arbitration, as provided in clause 14 hereof. If, upon arbitration, it is determined that Sidney was, in fact, in default it shall, within ten (10) days after the rendering of such decision, commence the correction of such default and prosecute the same continuously and diligently to completion.

Neither party shall resort to court action with respect to any claimed default, or the effect thereof, until the same first has been submitted to arbitration as herein provided. Each party shall pay the cost and expenses of the arbitrators selected by them, and the cost and expense of the third arbitrator shall be borne equally by the parties hereto.

16. Sidney reserves the right, hereby expressly granted, to terminate this agreement at any time by giving Nevada-Stewart thirty (30) days previous notice in writing of its intentions so to do, and Sidney's obligations on said property shall cease on the date such notice is posted, and upon termination of this agreement and as herein provided, Sidney shall be under

no further liability whatsoever, other than to return the property to Nevada-Stewart and to pay all bills and obligations incurred by it, and Sidney shall have the right to remove from said property all buildings, supplies, tools, implements, equipment, machinery, etc., placed thereon by Sidney for which Sidney shall not have been previously reimbursed. In the event of the termination of this agreement for any cause, Sidney shall in the future have no right to make claim for reimbursement of any expenditures which may have been made by it for the development or operation of the property during the life of this agreement.

17. In the event this agreement should for any cause be terminated after exploration work has been conducted in Nevada-Stewart's property, Sidney agrees that Nevada-Stewart shall have access to such mine workings through the shaft and workings of the Sidney Mine, and should Nevada-Stewart elect in such event to itself continue further development and mining operations on its property, Sidney shall make available to it shaft facilities for hoisting ore and haulage on its principal haulage tunnel, for which Sidney shall be entitled to receive, and shall receive, ten percent (10%) of the net smelter returns of all ores hoisted and handled through the Sidney shaft and haulage tunnel. In the event Nevada-Stewart should undertake to carry forward such operations, it is agreed that charges would have to be agreed upon in addition to the foregoing royalty for the hoisting and handling of waste with Sidney's facilities.

18. Any notice provided for herein shall be sufficiently given if sent by registered mail addressed to the party entitled to receive the same, as follows:

To: Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

To: Nevada-Stewart Mining Company
c/o Toole & Fleming
Empire State Building
Spokane, Washington

except as either party hereto shall hereafter instruct the other party by written notice to be appended to this agreement.

19. This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

20. This agreement is to be liberally construed to carry out the spirit of the plan hereby outlined and shall forever be construed and interpreted in accordance with the laws of the State of Idaho, and any disagreement arising in connection with the fulfillment or interpretations hereof shall be subject to the decision of the courts and tribunals (State or Federal) sitting in the State of Idaho to the exclusion of any other courts or tribunals (unless those of Appellate jurisdiction.)

21. It is understood and agreed by the parties hereto that before this agreement shall become effective it must be ratified by stockholders owning two-thirds of the outstanding shares in Nevada-Stewart at a meeting of the shareholders called for that purpose. The officers of Nevada-Stewart hereby agree to promptly call such meeting of the shareholders for the purpose of ratifying this agreement.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be hereunto subscribed and their corporate seals to be hereunto affixed and attested by their duly authorized officers in duplicate counterparts as of the day and year first above written.

SIDNEY MINING COMPANY,
A corporation,

By M C Brown
President

ATTEST:

Secretary

NEVADA-STEWART MINING COMPANY,
A corporation,

By Frank J. Lunedke
President

ATTEST:

Kenny C. Smith
Secretary

STATE OF WASHINGTON)
: ss.
County of Spokane)

On this 29TH day of December, 1954, before me, the undersigned, a Notary Public for the State of Washington, personally appeared FRANK J. WEDKE and HENRY C. SMITH, known to me and to me known to be the President and Secretary, respectively, of NEVADA-STEWART MINING COMPANY, one of the corporations whose name is subscribed to the foregoing instrument, and severally acknowledged to me that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at SPOKANE, Washington
My commission expires: Nov. 18, 1956

STATE OF IDAHO)
: ss.
County of Shoshone)

On this 29th day of December, 1954, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared M. C. BROWN and FRED E. MARLER, JR., known to me and to me known to be the President and Secretary, respectively, of SIDNEY MINING COMPANY, one of the corporations whose name is subscribed to the foregoing instrument, and severally acknowledged to me that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

James G. Fowler
Notary Public for the State of Idaho
Residing at Kellogg, Idaho
My commission expires: Aug 10, 1957

BUREAU OF MINES
224 NEW CUSTOMHOUSE
~~DENVER 2, COLORADO~~
OFFICIAL BUSINESS

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior - Interior Building
Washington 25, D. C.

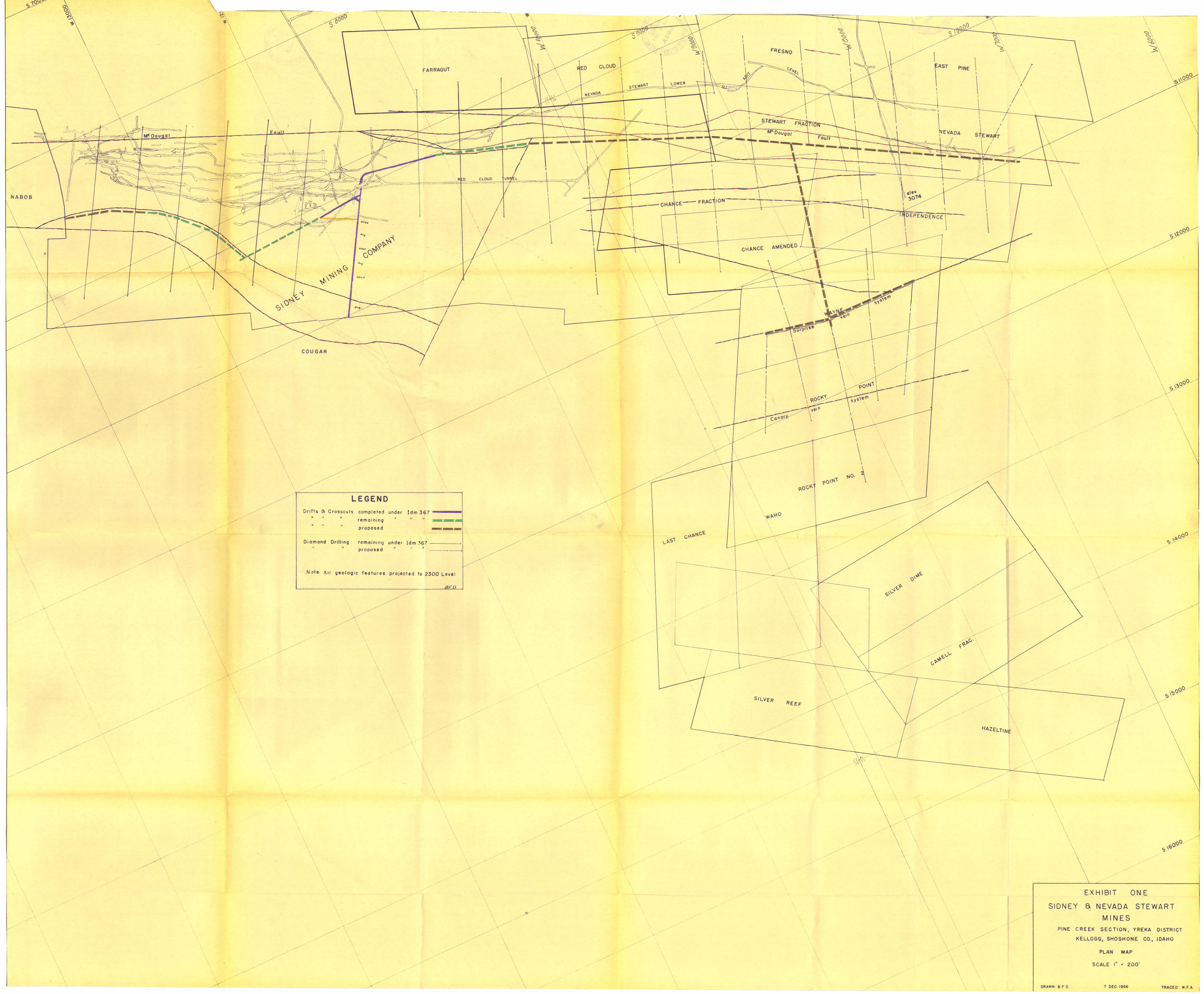


EXHIBIT ONE

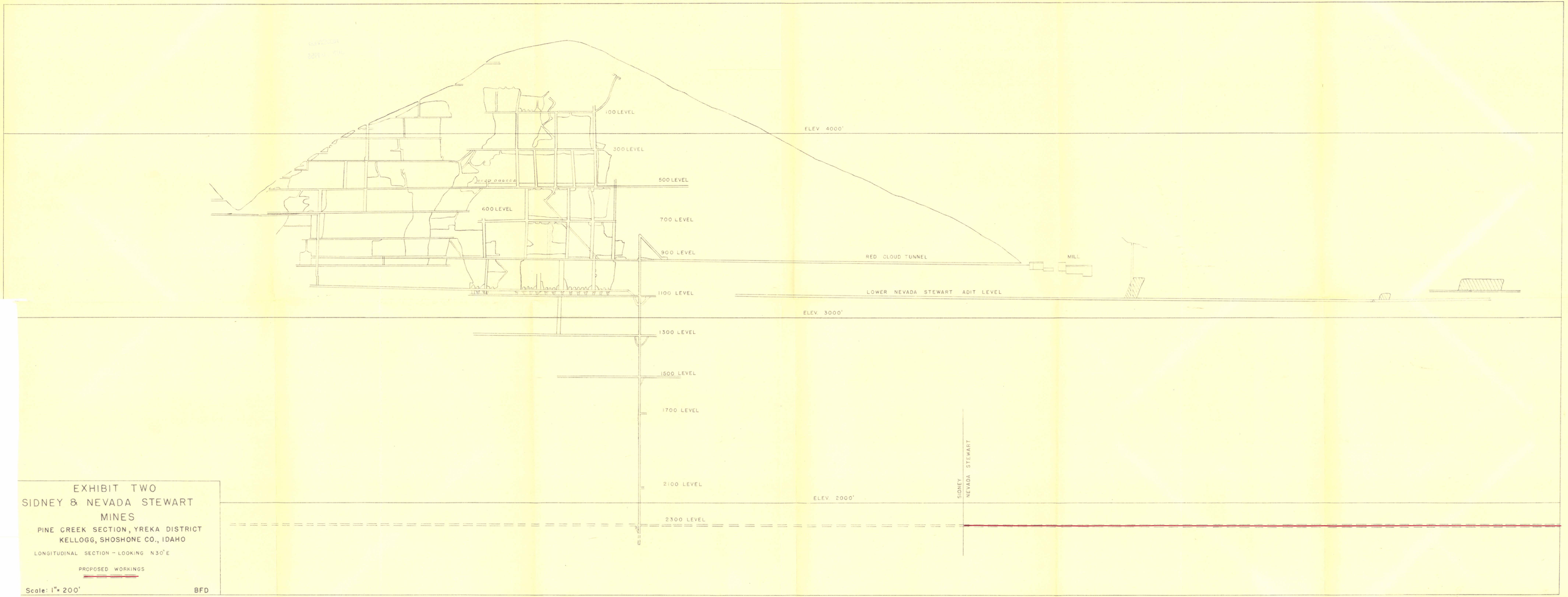
SIDNEY & NEVADA STEWART MINES

PINE CREEK SECTION, YREKA DISTRICT
KELLOGG, SHOSHONE CO., IDAHO

PLAN MAP

SCALE 1" = 200'

DRAWN: B.F.D. 7 DEC. 1956 TRACED: W.F.A.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1700 LEVEL
2100 LEVEL
2300 LEVEL
ELEV 4000'
ELEV 3000'
ELEV 2000'
RED CLOUD TUNNEL
MILL
LOWER NEVADA STEWART ADIT LEVEL
SIDNEY
NEVADA STEWART
EXHIBIT TWO
SIDNEY & NEVADA STEWART
MINES
PINE CREEK SECTION, YREKA DISTRICT
KELLOGG, SHOSHONE CO., IDAHO
LONGITUDINAL SECTION - LOOKING N30°E
PROPOSED WORKINGS
Scale: 1" = 200'
BFD

EXHIBIT ONE

SIDNEY & NEVADA STEWART MINES

PINE CREEK SECTION, YREKA DISTRICT
KELLOGG, SHOSHONE CO., IDAHO

PLAN MAP

PROPOSED D.D. HOLES — — — —

PROPOSED WORKINGS

Scale: 1" = 200'

BFD