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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1201 N. Division St.
Spokane 2, Washington

October 10, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: G. G. Waddell, Mining Engineer, Bureau of Mines

Subject: Final inspection report, Docket No. DMEA-4263 (mercury) Mercury & Chemicals Corp., Black Butte Mine, Lane County, Oregon, Contract No. Idm-E998

An inspection of this project was made September 5, 1957 and the exploration mapping brought up to date. The mine was closed and the gate locked; however, Mr. D. J. Mills, who resides at Black Butte, opened the gate for me when I assured him that I was not posting a lien on the property.

The last day the mine operated was July 15, 1957. According to Mr. Mills, the mine closed because Mercury & Chemicals Corporation lost their lease. It is also evident that the company has not been operating at a profit. The details are not known. Mr. Fischer has resigned as president of the corporation and is reported to be trying to form another company to lease the mine. All of the company records have been sent to the New York office. Mr. Fischer was not present during the inspection but was contacted by telephone on August 30. He stated that the company had accumulated many bills and owed the Government back taxes.

A "Writ of Attachment" dated August 27, 1957 and served by C. A. Swarts, Sheriff of Lane County, on behalf of Pioneer Hardware was posted on the company office. The sum of the Attachment was $8,110.74 + 6% and attached the "TD 18 bulldozer, rotary furnace and condenser System, Serial #A224410, and other surface equipment." The TD 18 was not seen on the inspection.

Exploration work performed since the last inspection consisted of 35.5 feet of drifting on contract, about 200 feet of development drifting, and at least one untimbered stope raise estimated to be 50 feet or more in height.

The contract status is as follows:

Date of contract: August 22, 1956
Termination date: May 22, 1958
Amount of contract: $62,340.00
Amount spent: 13,682.00 (thru February 1957)

	Authorized	Completed
Drifting	1,200 ft.	461.2 ft.
Bulldozing	115.38 hrs.	47 hrs.
Drilling underground	1,000 ft.	
" surface	2,000 ft.	
Drift timber	500 ft.	
Assaying	300 samples	96 samples
Initial rehabilitation	640 ft.	640 ft.
New buildings	1	

On the last MF-104 form submitted, for February 1957, 418 feet of drifting was claimed. The measurement on this last inspection indicates that 461.2 feet of drifting was performed which leaves 43.2 feet unclaimed @ $26/ft., total $1,123.20.

Royalty Analysis (partially audited)

	Flasks	DMEA royalty
Total production (according to Mr. Fischer's phone conversation)	399	
Last audit (March 25, 1957)	144	$1,764.50
Remainder not accounted for @ $245/flask x 5% royalty	255	3,123.75
Total		$4,888.25

Payments:

February MF-104 voucher withheld	$1,673.25
Undeclared footage of 43.2 feet @ $26/ft. (if credited)	1,123.20
	$2,796.45

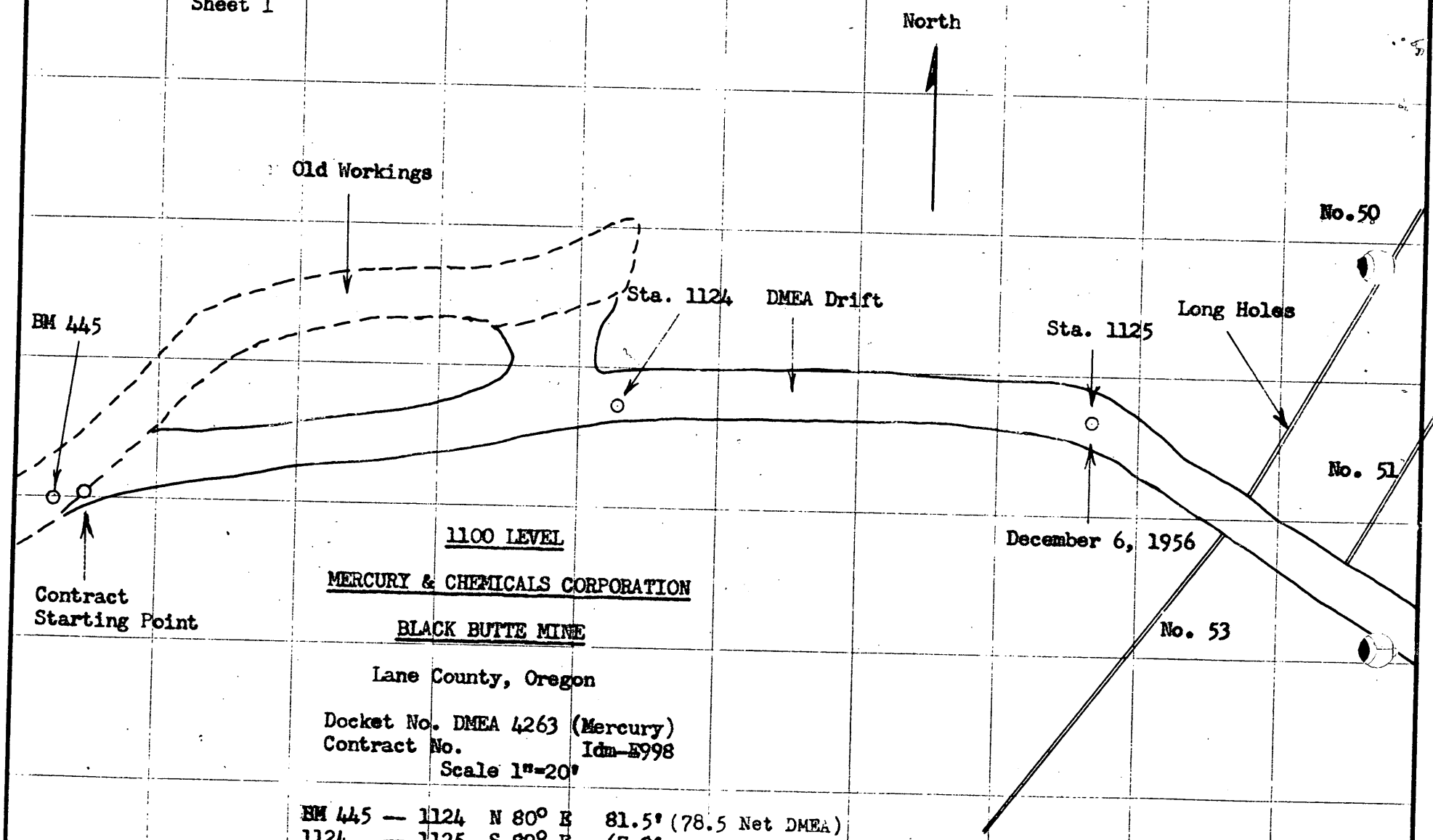
or

Balance due without undeclared footage of 43.2 feet (subject to audit)	$4,888.25
Less February MF-104 voucher withheld	1,673.25
	$3,215.00

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Turner
Docket
Waddell

G. G. Waddell

Sheet 1



1100 LEVEL

MERCURY & CHEMICALS CORPORATION

BLACK BUTTE MINE

Lane County, Oregon

Docket No. DMEA 4263 (Mercury)
Contract No. Idm-8998
Scale 1"=20'

BM 445	— 1124	N 80° E	81.5'	(78.5 Net DMEA)
1124	— 1125	S 89° E	67.8'	
1125	— 1126	S 53° E	88.7'	

"ALBANENE" NO. 1004M
REG. U.S. PAT. OFF.

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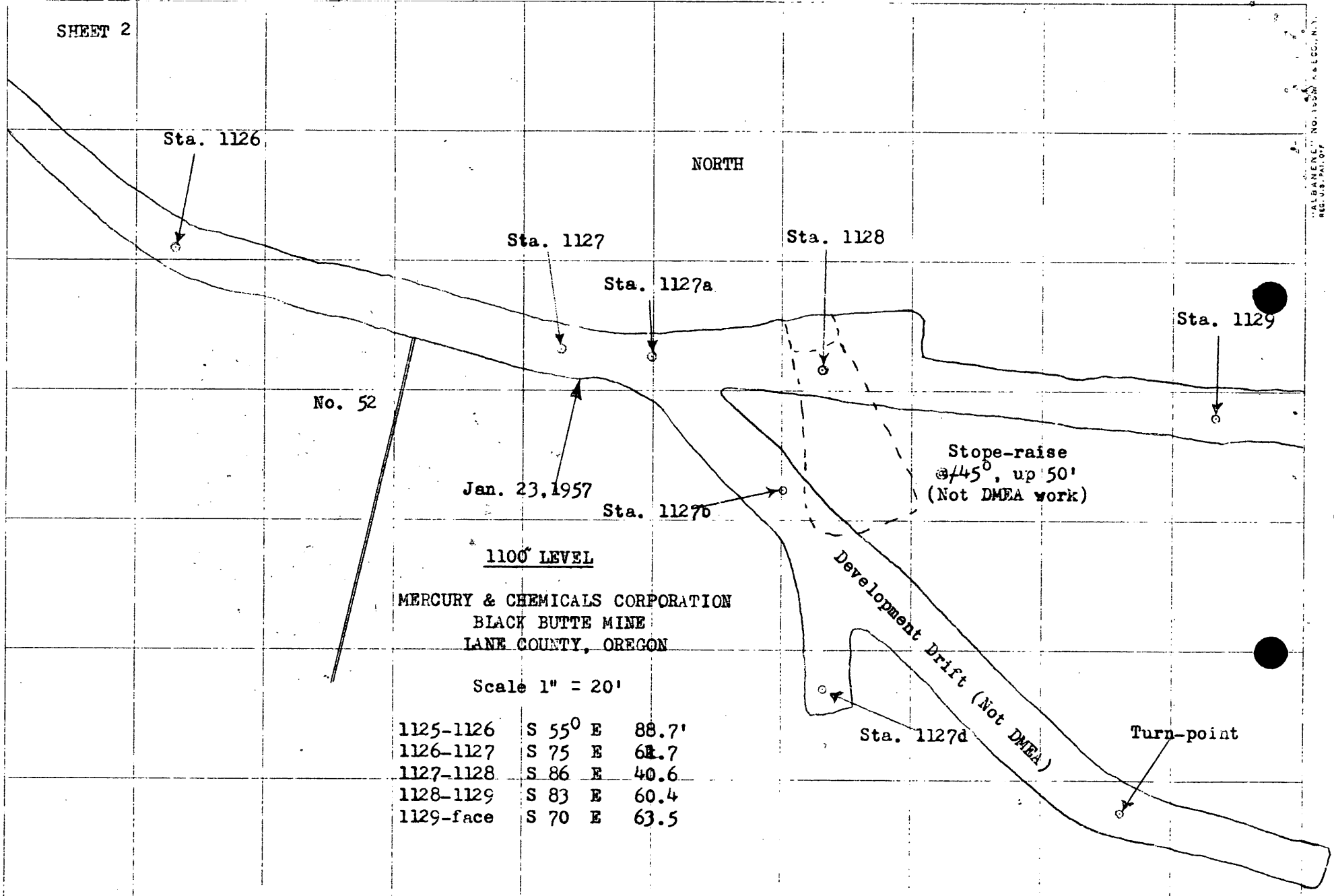
DATE	INITIALS	CODE

SHEET 2



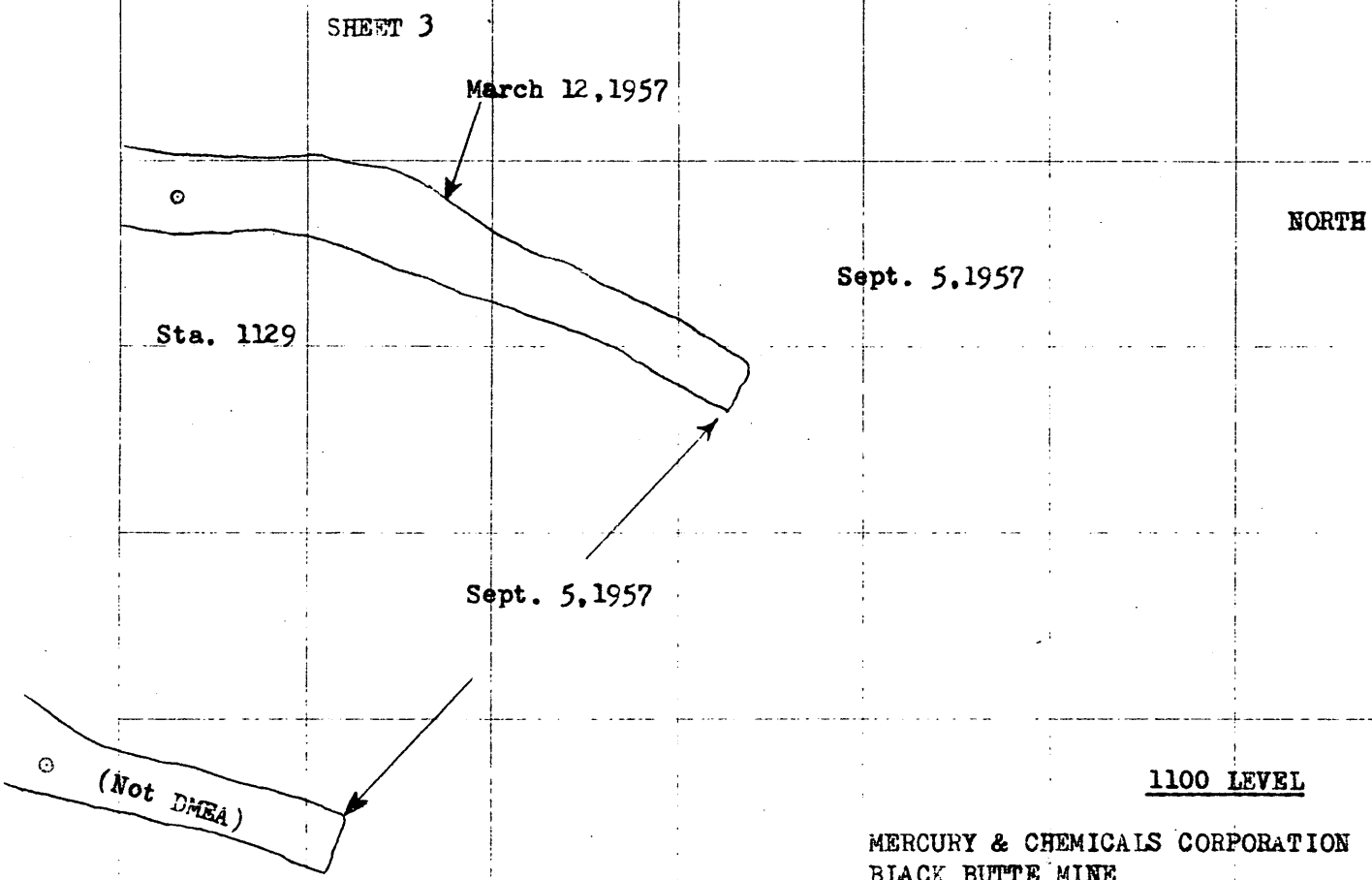
1100' LEVEL

MERCURY & CHEMICALS CORPORATION
BLACK BUTTE MINE
LANE COUNTY, OREGON

Scale 1" = 20'

1125-1126	S 55°	E	88.7'
1126-1127	S 75	E	61.7
1127-1128	S 86	E	40.6
1128-1129	S 83	E	60.4
1129-face	S 70	E	63.5

G.C.W.



1100 LEVEL

MERCURY & CHEMICALS CORPORATION
BLACK BUTTE MINE

G.G.W.

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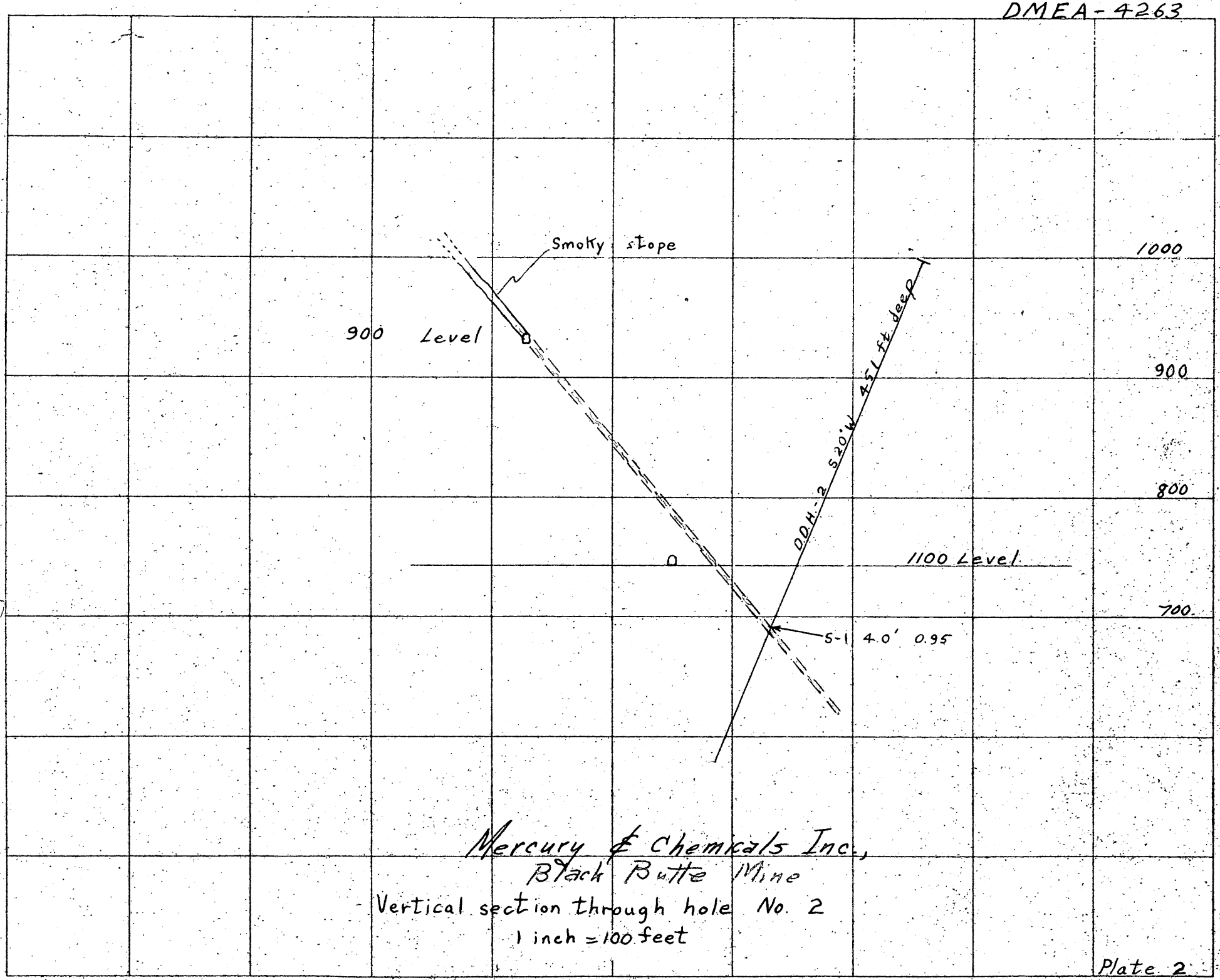
RECEIVED OCT 25 1957

DATE	INITIALS	CODE



Mercury & Chemicals Inc.,
Black Butte Mine
Vertical section through hole No. 2
1 inch = 100 feet

Plate 2

"ALBANENE" NO. 1068M K&E CO., N.Y. REG. U.S. PAT. OFF.
J. A. Gendron Co., Spokane

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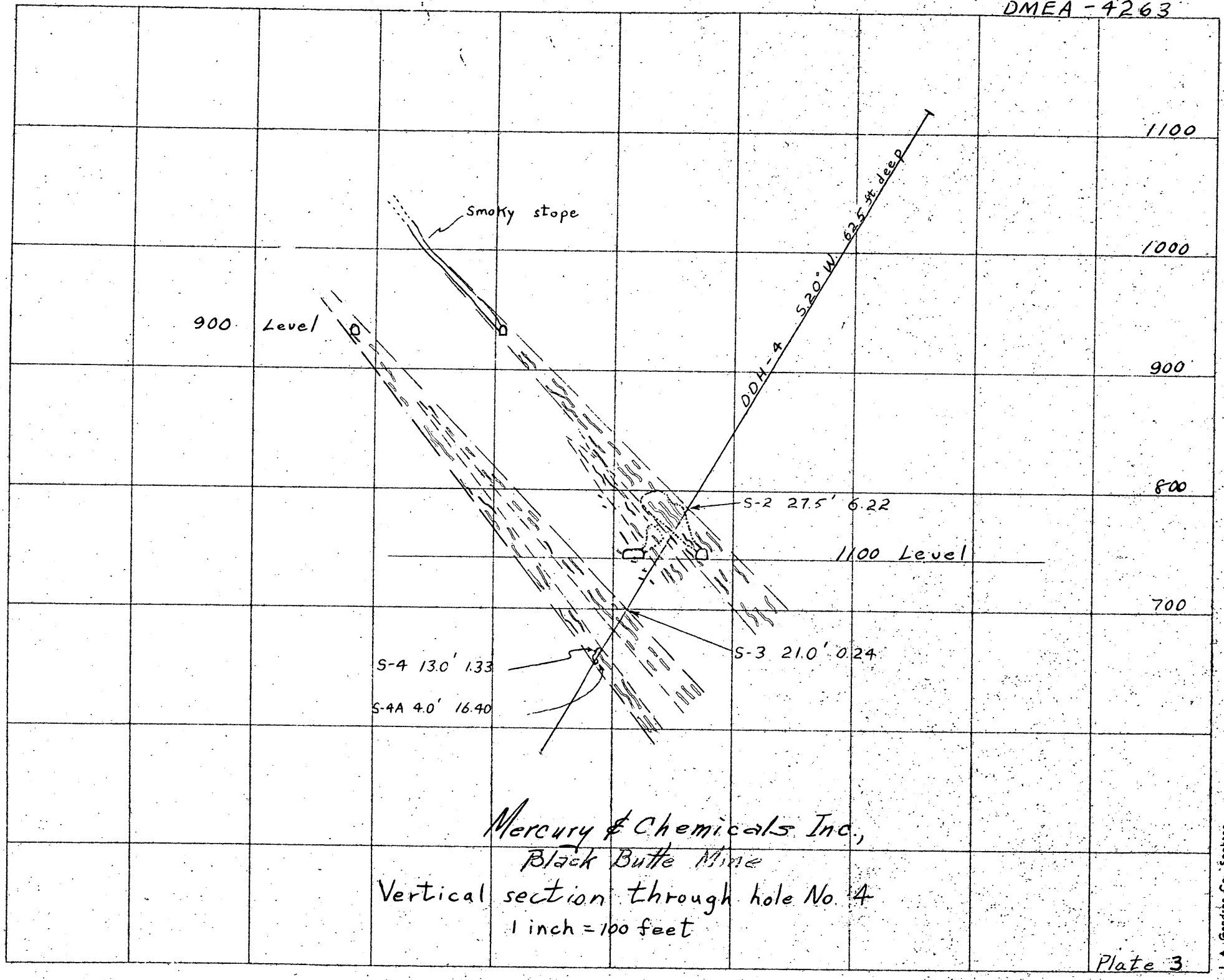
DATE	INITIALS	CODE

DMEA - 4263



"ALBANENE" REG. U.S. PAT. OFF. No. 1868M K&E CO., N.Y.
J. A. Gendron Co., Spokane

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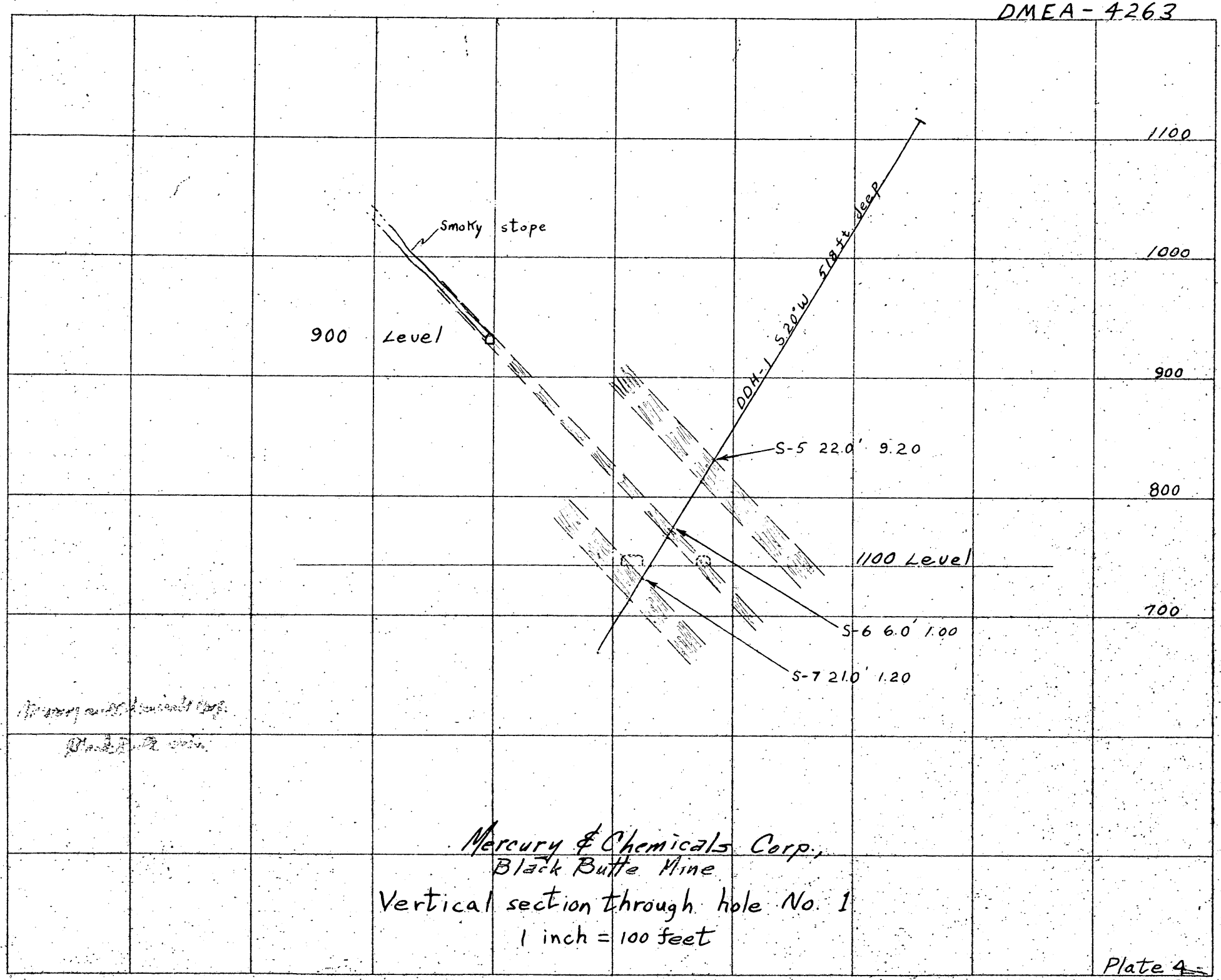
DATE	INITIALS	CODE



Mercury & Chemicals Corp.,
Black Butte Mine
Vertical section through hole No. 1
1 inch = 100 feet

Plate 4

"ALBANENE" NO. 188M KALCO., N.Y. SEG. V.S. PAT. OFF.
J. A. Gendron Co., Spokane

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RECEIVED OCT 25 1957

DATE	INITIALS	CODE

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

OFFICIAL FILE COPY
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RECEIVED OCT 25 1957
DATE | INITIALS | CODE
10/25 | gb | 220

October 22, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: D. C. Alvord, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-4263 (mercury), Mercury and Chemicals Corporation, Black Butte mine, Lane County, Oregon, Contract No. Idm-E988

The property was inspected on July 8, 1957 in company with H. F. Albee, Geologist, U. S. Geological Survey and Sui Ju Kung, Mining Engineer, Taiwan, Nationalist China. Mr. J. E. Johnson, mine and plant foreman, was present during the entire inspection.

The DMEA 1100 drift east had been advanced a total of 458 feet since the beginning of the contract (pl. 1). The easternmost 140 feet of this work was in mercury-bearing rock, and to further explore this area the operator has, on its own, driven an additional 143 feet of crosscut and drift. Some stopes have been driven up from these workings and Mr. Johnson estimates that most of the ore averaged a little less than 3 lbs. Hg/ton although the round samples ranged from less than 2 lbs. to nearly 5 lbs. Hg/ton. Plate 1 and vertical sections through USBM DDH Nos. 1, 2 and 4 (pl. 2, 3, and 4) show the position of the DMEA working relative to the ore penetrated by these holes. The work has brought the operator well within the ore zone indicated by the drilling and it would appear that the mineralized zone extends from the 1100 level all the way to the Smokey stope above the 900 level. The grade, however, is low.

In an effort to produce ore to keep the kiln plant going, the operator has done quite a bit of work in other parts of the mine. On the 1100 level the drift west has been advanced 150 feet and stopes 10 to 15 feet wide have been worked off this working. In addition a considerable proportion of the kiln feed has been scrammed from the old stopes on the 1100 level drift west. On the 900 level the main adit crosscut has been reopened, a raise driven from the 1100 level to the 900 level, the drift east has been advanced 60 feet, and 10 chutes have been installed along a zone 6 feet wide. The operator believes this zone will yield 3 lbs. Hg/ton ore. A small amount of scramming has also been done on this level.

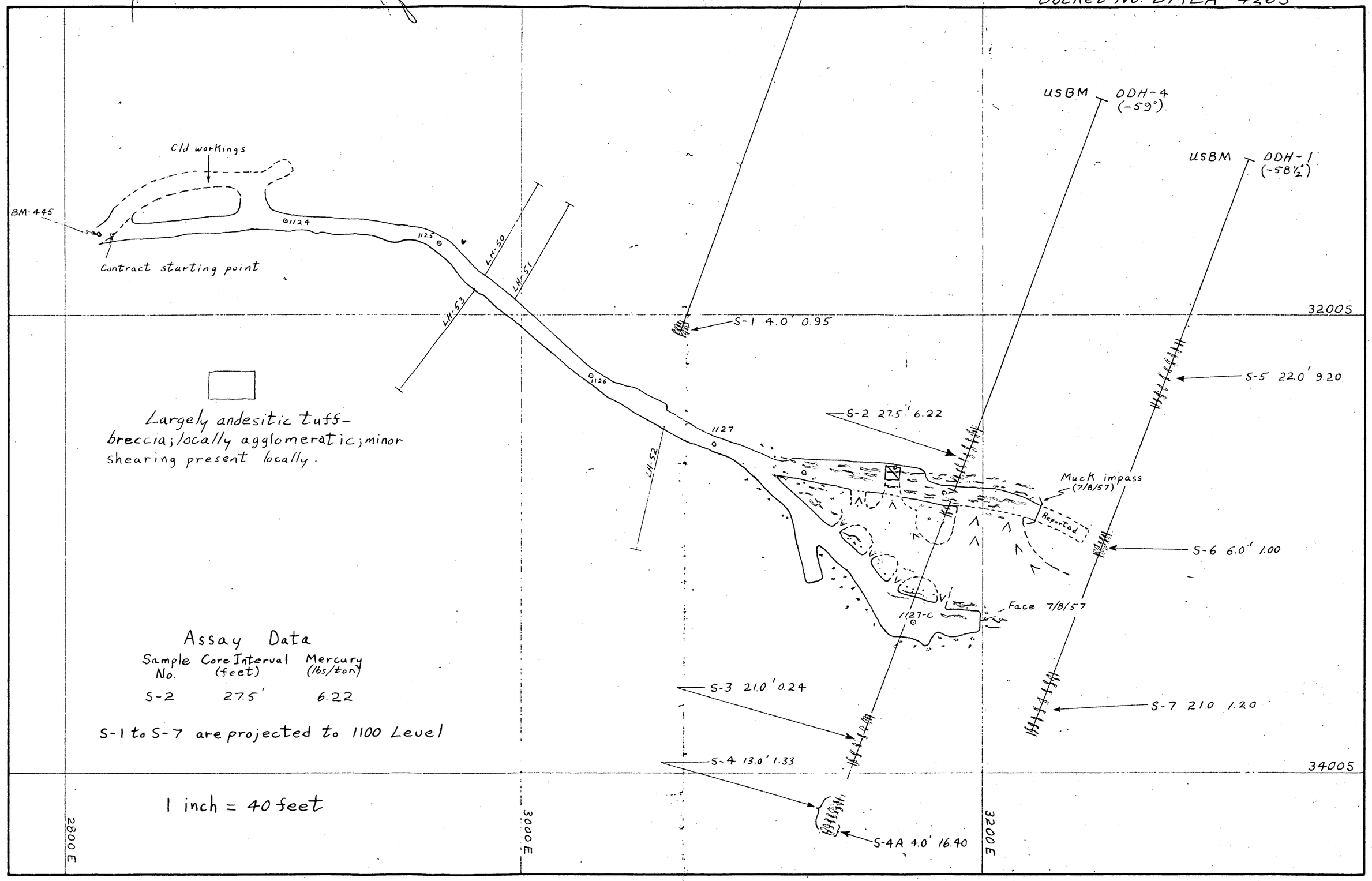
At the time of the examination, work was being done at both the east (DMEA) and west ends of the 1100 level drift but due to insufficient compressed air, no work was being done on the 900 level. An average of 25 men are being employed per 24-hour day and from 90 to 100 tons of ore is being furnaced per day. According to Mr. Johnson, the plant feed has been running between 1.5 and 3.5 lbs. Hg/ton for the past few weeks, and the grade needed to operate in the blue is 2.7 lbs. Hg/ton. He believed that on most days sufficient mercury was being produced to meet the raw mining and plant costs, such as labor, fuel, equipment, replacement, powder, etc., but he had no information concerning the amortization costs of the plant and equipment nor of the company's administrative costs. A total of 366 flasks of mercury have been produced by the operation through July 2, 1957.

D. C. Alvord

Enclosures

Distribution:
DMEA (Orig. & 3)
USBM (2)
USBM (AD)
Docket
Alvord

Docket No. DMEA-4263



DMEA 1100 LEVEL DRIFT EAST, BLACK BUTTE MINE, LANE COUNTY, OREGON

Plate 1

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D M E A
RECEIVED OCT 25 1957

DATE	INITIALS	CODE

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 25 1957

DATE	INITIALS	CODE

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DMEA
RECEIVED JUL 1957

DATE		CODE
7/22	C	220
7/22	WSM	400

So. 157 Howard Street
Spokane 4, Washington

July 16, 1957

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 North Division Street
Spokane 2, Washington

Re: Docket No. ~~DMEA-426h (Mercury)~~
Mercury and Chemical Corporation
Black Butte Mine
Lane County, Oregon
Contract No. Idm-E998

Dear Mrs. Long:

Attached is Check No. 18,660,584, dated July 11, 1957, for $1,673.25 from the U. S. Treasury Department, Division of Disbursement, Portland, Oregon.

In accordance with Voucher Payment Schedule No. 323 Voucher No. 2002 was to be paid to DMEA to be applied on royalties due from Mercury and Chemical Corporation per telephone instructions from Mr. Richard P. Fischer, president of the corporation. This will leave a balance of $91.25 which we understand will be deducted from the next voucher received.

Sincerely yours,

R. D. Sample
For: A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I

Attachment as indicated

cc: Operator
DMEA wo/encl.✓
CPF

Dorothy

ATTACHMENTS RECD 7-17-57
BY D.L.
ROYALTY PMTS TO DATE $1673.25

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

July 2, 1957

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DMEA
RECEIVED JUL 29 1957

DATE		CODE
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30	COMM	100
8/2	WSM	400

MEMORANDUM

To: DMEA Field Team, Region I

From: John D. Bardill, Bureau of Mines

Subject: Royalties and project progress, Docket No. DMEA-4263 (mercury), Mercury & Chemical Corporation, Black Butte Mine, Lane County, Oregon, Contract No. Idm-E998

I telephoned Mr. Richard P. Fischer, president of the company, at Eugene, Oregon, this morning to inquire about the project work progress and why royalty repayments on production due have not been forthcoming.

Mr. Fischer informed me that they are mining and treating about 90 tons of ore (?) per day and that 70 flasks were recovered during June. The operation just barely breaks even so far as payroll and current supplies, excluding royalties and other expenses. He stated that the company's backers in New York have agreed to advance additional funds to cover the due royalties. He had called New York again this morning, explaining the urgency for the funds.

Mr. Fischer stated that production to date was 366 flasks. At the time of the DMEA audit by Mr. C. A. Turner, on March 25, 1957, 144 flasks had been sold. No royalty payments have been received in the meantime.

Estimated royalties due as of this date:

Previous unpaid balance	$ 91.25
Sale of 222 flasks @ $245/flask approx. @ 5%	2,719.50
	$ 2,810.75

Mr. Fischer suggested that the Field Team write him a letter requesting payment and stated that he would transmit it to the New York office for action.

John D. Bardill
John D. Bardill

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Turner
Docket
Bardill

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 29

Referred to:

1. ~~Mr. Mrvudiorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. Division
6. ~~Docket Control Mails and Files~~
7. 400

Note comments in report regarding:

1.

2.

3. F.T. letter 7/18/57 requests payment of $2,810.75. C.E.T.

4.

and take appropriate action.

- - - - - - - - -

Action taken by Division:

Robert E. Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

May 10, 1957

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DATE	INITIALS	CODE
5/27	C	220
"	Com	100
5/28	WSM	400

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John D. Bardill, Bureau of Mines

Subject: Routine inspection report, Docket No. DMEA-4263 (mercury) Mercury and Chemicals Corporation, Black Butte Mine, Lane County, Oregon, Contract No. Idm-E998

A routine inspection was made of this project March 12, accompanied by Richard P. Fischer, president, and H. E. Larsen, superintendent.

The 1100 level south drift has been advanced only 426 feet since the beginning of the contract, of which only 122 feet had been driven since my last visit on January 23. Work in the drift had been suspended for a period while the Operator was attempting to find ore enough elsewhere in the mine to keep the kiln plant operating at capacity. Work had just been resumed at the time of my visit.

Assays of 32 car samples taken during February from 82 feet of new drift average 1.65 lbs. mercury per ton. Several high samples were included in the average.

Four long holes were drilled from the drift, as follows:

No.	Location	Side	Depth-ft.	Remarks
50	Sta. 1125 + 24'	NE	47	No mercury in cuttings
51	Sta. 1125 + 41'	NE	48	No mercury in cuttings
52	Sta. 1125 + 25'	SW	55	Estimated 0.3 lbs. Hg/ton
53	Sta. 1126 + 40'	SW	55	Estimated 1.0 lbs. Hg/ton

Old Bureau of Mines diamond drill hole No. 4 in the vicinity of long hole No. 53 averaged 6.2 lbs. Hg for 27 feet.

At Sta. 1128 a stope-raise was driven about 50 feet at approximately 45°. About 400 tons were mined and milled from this stope and averaged 1.63 lbs. Hg/ton. The balance of the drift showed weak, spotty occurrences of cinnabar.

At the time of the inspection the status of the project was as follows:

Date of contract: August 22, 1956
Termination date: May 22, 1957
Amount of contract: $62,340.00
Amount spent: 13,682.00 (thru Feb. 1957)

	Authorized	Completed
Rehabilitation of 1100 level	640 ft.	640 ft.
1100 level drifting	1200 ft.	426 ft.
Bulldozing - hours	115.38	47
Assaying - samples	300	96

John D. Bardill

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Bardill

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

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3/8 | 4007

1201 N. Division St.
Spokane 2, Washington
February 1, 1957

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John D. Bardill, Bureau of Mines

Subject: Interim inspection report, Docket No. DMEA-4263 (mercury), Mercury and Chemicals Corporation, Black Butte Mine, Lane County, Oregon, Contract No. Idm-E998

A routine inspection was made of this project January 23, accompanied by Richard P. Fisher, president, and H. E. Larsen, superintendent.

The 1100 level south drift had been extended about 304 feet since the beginning of the DMEA contract. The drift, about 7'x8' in cross-section, is being driven in altered andesite tuff.

The Operator had hoped to be in the ore zone by now but assays of car samples of drift muck showed an average of only 0.35 lbs. mercury per ton.

A long hole was drilled to a depth of 47 feet northeasterly from the drift into the wall to determine whether the drift was south of any ore zone. At about 21 feet hard rock was encountered and penetrated about 20 feet of this type rock and then went back into soft rock again. The cuttings did not show any cinnabar. The hole was located about 175 feet in an easterly direction from the contract starting point.

Another hole 48 feet deep and about 17 feet farther east showed almost identical results. Long holes drilled in a southerly direction from the drift were to be drilled that night.

Approximately 50 tons of rock averaging about 1½ lbs. mercury per ton were being mined from the old west workings on the 1100 level. This rock is sub-ore-grade.

Equipment had just been ordered for the 900 level so that this level may be put into production on higher grade rock.

At the time of the inspection the status of the project was as follows:

Date of contract: August 22, 1956
Termination date: May 22, 1957
Amount of contract: $62,340.00
Amount spent: 7,639.00 (thru Dec. 1956)

	Authorized	Completed
Rehabilitation of 1100 level	640 ft.	640 ft.
1100 level drifting	1200 ft.	304 ft.
Assays	300	36

John D. Bardill

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Bardill

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

1201 N. Division St/
Spokane 2, Washington
January 4, 1957

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		225

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John D. Bardill, Bureau of Mines

Subject: Interim inspection report, Docket No. DMEA-4263 (mercury) Mercury & Chemicals Corp., Black Butte Mine, Lane County, Oregon, Contract No. Idm-E998

A routine inspection was made of this project on December 6, accompanied by Richard P. Fisher, president, and H. E. Larsen, superintendent.

The Operator approved and signed the contract, dated August 22, 1956, for $62,340.00, after a delay caused by company associates in New York.

Work was started about November 1, 1956 and the prescribed 640 feet of rehabilitation in the 1100 level south had been completed. The brass tag BM 442 which had been placed in the drift near the starting point at the time of the last inspection had been blasted out meantime. A new tag, BM 445, was placed at the company's point Sta. 1121. Contract starting point was at BM 445 + 3 feet. The new portion of the drift had been driven eastward 150.5 feet. Car samples from each round of the drift muck ranged from 0.2 to 1.4 lbs. mercury/ton and averaged about 0.6 lbs.

The 8 ft. by 8 ft. drift was being driven in conglomerate and tuff and was directed toward a favorable mineralized area indicated in one of the old Bureau of Mines diamond drill holes.

A 90-ton per day kiln plant had been completed and placed in production November 16, 1956. Material being burned was mostly clean-up rock from which 2 to 3 lbs. mercury/ton was being recovered.

Raises were being driven from the 900 level toward what is believed to be the extension of the Huckins stope. A raise to be used as the main ore passage had been driven from the 1100 to the 900 level from a point about 160 feet west of the southeast face of the 1100 drift.

The change-storage building has not been built yet.

Status of the contract work was as follows:

Date of contract: August 22, 1956
Termination date: May 22, 1957
Amount of contract: $62,340.00
Amount spent: 3,671.50 (thru Nov. 1956)

	Authorized	Completed
Rehabilitation of 1100 level	640 ft.	640 ft.
1100 level drifting	1200 ft.	150.5 ft.
Assaying - samples	300	17

John D. Bardill

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Bardill

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

1201 N. Division Street
Spokane 2, Washington
September 21, 1956

RECEIVED
OCT - 8 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John D. Bardill, Bureau of Mines

Subject: Preliminary inspection report, Docket No. DMEA-4263 (mercury), Mercury & Chemicals Corporation, Black Butte Mine, Lane County, Oregon, Contract No. Idm-E998

A preliminary inspection was made of this property on September 14, 1956, accompanied by Richard P. Fisher, president, and H. E. Larsen, superintendent.

A contract dated August 22, 1956, for $62,340.00, had been approved by Washington and forwarded to Mr. Fisher for approval and signature. The contract was satisfactory and he planned to sign it as soon as it was approved by the board of directors in New York.

A brass tag, BM 442, was placed on a peg approximately 32 feet west of the starting point of the new drift.

A kiln and condenser plant, designed by Gordon I. Gould & Company, San Francisco, is being constructed and is expected to be in operation by November 1. The old 4 ft. by 64 ft. kiln will be used. The plant will have a capacity of 70-100 tons per day. The ore will be crushed to 1½ inch.

The 900 level is being rehabilitated preparatory to mining.

John D. Bardill

John D. Bardill

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Bardill

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 6 1962

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

DATE	INITIALS
3/6	
3/7	Hoch S.P.H

From: Field Officer, OME, Region I
So. 157 Howard Street
Spokane 4, Washington

Date: February 26, 1962

Concerning:
Docket No. DMEA-4263 (Mercury)
Property Black Butte Mine
Location Lane County, Oregon
Company: Quicksilver Syndicate
Formerly: Mercury & Chemicals Corp.

Mr. Daniel J. Mills
Black Butte Route
Box 514
Cottage Grove, Oregon

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return ~~one copy~~ two copies to this office with copies of any pertinent documents.

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

1. Since Sept. 26, 1960 has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☒

2. Since Sept. 26, 1960, has there been any production from the property?* Yes ☐ No ☒

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name Daniel J. Mills Title President

Address Blackbutte Route, Cottagegrove, Ore. Date March 1, 1962

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

RECEIVED
MAR 2 1962
U.S.
SPOKANE, WASH.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 31 1958

DATE	INITIALS	CODE
7/31	C	220
7/31	Com	100
	JLY	110
		800
	WSM	400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: January 1 to June 30, 1958

Date of exam: June 3, 1958

Operator: Mercury and Chemicals Corp., Black Butte, Oregon

Mine name: Black Butte

County and State: Lane County, Oregon

Docket number and commodity: DMEA-4263 (mercury)

Contract number: Idm-E998

Date of contract: August 22, 1956

Date of certification: January 7, 1958

Expiration date of royalty payments: August 22, 1967

Total amount of contract: $62,340.00

Total expenditures under contract: 13,682.00 (subject to audit)

Amount of Government participation @ 75%: 10,261.51 (subject to audit)

Royalty payments this period: none

Previous royalty payments: $ 1,673.25

Total royalty payments to date: $ 1,673.25

Percent of Government participation repaid: 16.3%

Royalty due on production to date: $91.25 per audit of March 25, 1957 plus $3,123.75, making the total royalty due and unpaid $3,215.00. The DMEA Administrator in a letter dated December 27, 1958 requested this amount from Quicksilver Syndicate in accordance with the Consent to Lien and Subordination agreement. ← Follow up

Case has been referred to Attorney General.
RCP

	Tons	Analysis
Original estimate of DMEA reserves (from Field Team final report) Mines ____ Survey ___ Joint ___	Field Team final report in preparation.	
Revised estimate of DMEA reserves (Field Team) Mines ___ Survey ___ Joint ___		
Increase of reserves by work performed subsequent to DMEA project work	none	
Production of DMEA ore (this period)	none	
(previous)		
(to date)	unknown	
Production of Operator's ore found subsequent to DMEA work (this period)	none	
(previous)		
(to date)	none	
Percent of revised reserves mined:	unknown	

Remarks: The last day the mine operated was July 15, 1957. Subsequently, the operating company declared bankruptcy and the property has reverted back to the owner, Quicksilver Syndicate. All machinery and equipment were still on the property except that purchased on consignment which has been repossessed.

INVESTMENT DATA: none

Signed: Galen G. Waddell (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1957 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury and Chemicals Corporation Minerals Mercury
Address Black Butte, Oregon
Contract Amount, $62,340.00 Government Participation: 75 % Amount, $46,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY WSM		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	0.00	611.00	611.00		611.00	611.00
Crosscutting						
Drifting 82 feet	2132.00	8731.00	10863.00	2132.00	8731.00	10863.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	0.00	1920.00	1920.00		1920.00	1920.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	99.00	189.00	288.00	99.00	189.00	288.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2231.00	11451.00	13682.00	2231.00	11451.00	13682.00

RECEIVED JUL 1 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date March 13, 1957 Payee Mercury & Chemicals Corp.
Per Richard P. Fossel Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
1673.25
$ 1673.25
Signature Dorothy F. Fong
(Authorized Certifying Officer)
Date 7-5-57 Vou. No. 2002
(See other side)

Original Receipt & copy forwarded to Wash. 4/25/57

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Ea 998 in accordance with the terms of the contract.

Signature /s/ John A. Bardill Title Metallurgist Date March 18, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date April 26, 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form DMEA-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1957 Docket No. DMEA 4263 Contract No. Idm-E998

Operator's Name Mercury and Chemicals Corporation Minerals Mercury

Address Black Butte, Oregon

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	1 ft.	2132.00	82	10863.00	418		1200	26.00
Crosscutting								
Raising	1 ft.						300	25.00
~~Shafts~~								
~~Winzes~~ xxxxxBulldozing	1 hr	0.00	0	611.00	47		115.38	13.00
Drilling: Core Undergrd	1 ft.						1000	4.00
~~Churn~~ xxx Surface	1 ft.						2000	6.00
Auger								
~~Stopping~~ Drift timbering	1 ft.						500	5.00
Trenching								
~~Test Pits~~ xxxxx Assaying		99.00	33	288.00	96		300	3.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2231.00		11762.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		0.00	0	1920.00		640 ft.		$1,920.00
New Buildings, Improvements, etc.								820.00
TOTAL COSTS		2231.00		13682.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date March 13, 1957 Operator Mercury&ChemicalsCorp.

Per Richard P. Feeley Title President

REMARKS:

NOTE.—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.

(Instructions on reverse)

(For Government use only)

RECEIVED APR 5 1957 D.M.E.A.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

March 13, 1957

OFFICIAL FILE COPY
D M E A
RECEIVED APR 5 1957

DATE	INITIALS	CODE
4/8	WSM	400

Mr. A. E. Weissenborn
U. S. Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane, Washington

Ref: Docket No. DMEA-4263 (Mercury)
Black Butte Mine
Lane County, Oregon
Contract No. Idm-E998

NARRATIVE REPORT

Dear Mr. Weissenborn:

Attached hereto are:

1. A progress map which shows the extent of exploratory work on the 1100 level completed as of the end of February, 1957.

2. Form MF-104, Operator's Monthly Report and Voucher.

3. Form MF-104A, Operator's Unit Cost and Progress Report.

Exploratory work during February extended the drift on the 1100 level by 82 feet. Showings of cinnabar are now in evidence frequently. We are in a mineralized zone, but as yet we have located no distinct vein.

The assays are as follows:

Date	Sample No.	lbs. Hg/ton
February 1, 1957	776	0.2
February 2, 1957	779	3.0
February 2, 1957	780	1.1
February 2, 1957	782	0.6
February 4, 1957	784	0.6
February 5, 1957	786	2.9
February 5, 1957	789	5.8

Date	Sample No.	Lbs. Hg/ton
February 6, 1957	793	1.4
February 7, 1957	794	1.2
February 7, 1957	796	0.8
February 8, 1957	799	12.1
February 9, 1957	801	1.0
February 11, 1957	805	2.6
February 12, 1957	808	2.4
February 13, 1957	809	5.7
February 14, 1957	812	3.4
February 15, 1957	817	1.2
February 16, 1957	818	0.8
February 16, 1957	821	0.2
February 18, 1957	822	0.3
February 19, 1957	826	0.3
February 19, 1957	828	0.2
February 20, 1957	833	0.2
February 20, 1957	835	3.1
February 20, 1957	837	0.9
February 20, 1957	838	0.7
February 21, 1957	842	3.7
February 21, 1957	845	1.6
February 22, 1957	849	1.5
February 22, 1957	851	3.0
February 22, 1957	853	1.0
February 23, 1957	854	0.6
February 23, 1957	859	1.1

Very truly yours,

MERCURY AND CHEMICALS CORPORATION

Richard P. Fischer

Richard P. Fischer
President

RPF:ma

Encls.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1957 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury & Chemicals Corp. Minerals Mercury
Address Black Butte, Oregon
Contract Amount, $ 62,340.00 Government Participation: 75 % Amount, $ 46,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~[illegible]~~ Short Form Contracts:						
Drilling						
Bulldozing	0.00	0.00	0.00	611.00	—	611.00
Crosscutting						
Drifting 120 feet	3120.00	5611.00	8731.00	3120.00	5611.00	8731.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	0.00	1920.00	1920.00		1920.00	1920.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	81.00	108.00	189.00	81.00	108.00	189.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3201.00	7639.00	10840.00	3812.00	7639.00	11451.00

RECEIVED FEB 18 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Feb. 1, 1957 *Payee Mercury & Chemicals Corp.

Per Richard P. Fischl Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3859.00

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 2/13/57 Vou. No. 1940
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 998 in accordance with the terms of the contract.

Signature /s/ John D. Bardill Title Metallurgist Date February 5, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date February 6, 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED FEB 13 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1957 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury & Chemicals Corp. Minerals Mercury
Address Black Butte, Oregon

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	1 ft.	3120.00	120	8731.00	336		1200	26.00
Crosscutting								
Raising	1 ft.						300	25.00
Shafts								
Bulldozing	1 hr.	0.00	0	611.00 0.00	47 0		115.38	13.00
Drilling: Core Undergrd	1 ft.						1000	4.00
Surface	1 ft.						2000	6.00
Auger								
Drift Timbering	1 ft.						500	5.00
Trenching								
Assaying		81.00	27	189.00	63		300	3.00
Roads and Trails								
Total Distributed Costs		3201.00		8920.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		0.00	0	1920.00		640 ft.		$1,920.00
New Buildings, Improvements, etc.								820.00
Total Costs		3201.00		10840.00				$2,340.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Remarks:

Date Feb. 1, 1957 Operator Mercury & Chemicals Corp.

Per Richard P. Fischer Title President

NOTE.—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.

(Instructions on reverse)

(For Government use only)

/s/ John A. Bardill, Metallurgist

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
FEB 4 1957
U.S.G.S.
SPOKANE, WASH

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DMEA
RECEIVED FEB 18 1957
DATE | INITIALS | CODE
2/19 | WSM | 400

MERCURY AND CHEMICALS CORPORATION

1897 Riverview Street

Eugene, Oregon

February 1, 1957

Mr. A. E. Weissenborn
U. S. Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane, Washington

Ref: Docket No. DMEA-4263 (Mercury)
Black Butte Mine
Lane County, Oregon
Contract No. Idm-E998

NARRATIVE REPORT

Dear Mr. Weissenborn:

Attached hereto are:

1. A progress map which shows the extent of exploratory work on the 1100 level completed as of the end of January, 1957.

2. Form MF-104-Operator's Monthly Report and Voucher.

3. Form MF-104A-Operator's Unit Cost and Progress Report.

Enclosed are the original and four copies of Amendment 1 to the contract, which are signed.

Exploratory work during January extended the drift on the 1100 level by 120 feet. Showings of cinnabar are now in evidence from time to time. It looks as if we are approaching ore bearing rock.

The assays are as follows:

Date	Sample No.	Lbs. Hg/ton
January 1, 1957	670	0.4
" 2 "	673	0.3
" 3 "	676	0.2
" 3 "	677	0.3
" 4 "	679	0.3
" 7 "	683	0.3
" 8 "	689	0.2

Date	Sample No.	Lbs. Hg/ton
January 9, 1957	694	0.3
" 10 "	697	0.4
" 11 "	701	0.6
" 12 "	705	0.6
" 12 "	706	1.0
" 14 "	709	1.0
" 15 "	720	0.7
" 16 "	721	0.4
" 17 "	727	0.4
" 19 "	737	0.4
" 21 "	741	0.4
" 21 "	743	0.5
" 23 "	747	0.5
" 24 "	750	0.2
" 25 "	752	0.2
" 26 "	755	0.2
" 28 "	758	0.3
" 29 "	761	0.8
" 30 "	765	1.0
" 31 "	767	0.6

Very truly yours

MERCURY AND CHEMICALS CORPORATION

Richard P. Fischer

Richard P. Fischer
President

RPF:br

Encls.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1956 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury & Chemicals Corp. Minerals Mercury
Address Black Butte, Oregon
Contract Amount, $ 62,340.00 Government Participation: 75 % Amount, $ 46,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	0.00	705.00	705.00		—0—	—0—
Crosscutting						
Drifting 85 feet	2210.00	3401.00	5611.00	2210.00	1700.50	5611.00
drifting paid on voucher no 1913					1700.50	
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	0.00	1920.00	1920.00		1920.00	1920.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	57.00	51.00	108.00	57.00	51.00	108.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2267.00	6077.00	8344.00	2267.00	5372.00	7639.00

RECEIVED JAN 22 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Jan. 10, 1957 Payee Mercury & Chemicals Corp.
Per Richard P. Feeley Title President.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1700 25-
Signature M.G.P.
(Authorized Certifying Officer)
Date 1-18-57 Vou. No. 1925
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 998 in accordance with the terms of the contract.

Signature (Sd) John D. Yardley Title Metallurgist Date 1-14-57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (Sd) A. E. Weissenborn Title Exec. Officer Date 1-15-57

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 357 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1956 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury & Chemicals Corp. Minerals Mercury
Address Black Butte, Oregon

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	1 ft	2210.00	85	5611.00	216		1200	26.00
Crosscutting								
Raising	1 ft						300	25.00
Bulldozing	1 hr	0.00	0	705.00			100	15.00
Winzes								
Drilling: Core Undergrd	1 ft						1000	4.00
Surface	1 ft						2000	6.00
Auger								
Drift Timber	1 ft						500	5.00
Trenching ing								
Assaying		57.00	19	108.00	36		300	3.00
Roads and Trails								
Total Distributed Costs		2267.00		6424.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		0.00	0	1920.00		640 ft.		$1920.00
New Buildings, Improvements, etc.								820.00
Total Costs		2267.00		~~8344.00~~ 7639.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Jan. 10, 1957 Operator Mercury & Chemicals Corp.

Per Richard P. Fischer Title President

NOTE.—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.

Remarks:

(Instructions on reverse)

(For Government use only)

(S) John D Burdill

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
JAN 24 1957
D.M.E.A.

January 10, 1957

Mr. A. E. Weissenborn
U. S. Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane, Washington

Ref: Docket No. DMEA-4263 (Mercury)
Black Butte Mine
Lane County, Oregon
Contract No. Idm-E998

NARRATIVE REPORT

Dear Mr. Weissenborn:

Attached here to are:

1. A progress map which shows the extent of exploratory work on the 1100 level completed as of the end of December, 1956.

2. Form MF-104-Operator's Monthly Report and Voucher.

3. Form MF-104A-Operator's Unit Cost and Progress Report.

Exploratory work during December was restricted to drifting on the 1100 level toward the favorable area and sampling in the drift as it progressed. The drift was extended 85' during December. We expect to be in the mineralized zone, as indicated by prior diamond drilling, soon and can then start exploratory drilling. Nothing unusual was encountered during December.

The assays are as follows:

Date	Sample No.	lbs. Hg/ton
December 1, 1956	574	0.5
December 3, 1956	580	0.4
December 4, 1956	584	0.2
December 5, 1956	586	0.4
December 6, 1956	587	0.2
December 7, 1956	590	0.4
December 8, 1956	592	0.7
December 10, 1956	595	0.8
December 12, 1956	607	0.6
December 13, 1956	613	0.5
December 15, 1956	620	0.3

Date	Sample No.	lbs. Hg/Ton
December 19, 1956	632	0.4
December 20, 1956	636	0.3
December 21, 1956	640	0.4
December 22, 1956	643	0.2
December 26, 1956	651	0.3
December 28, 1956	660	0.3
December 29, 1956	664	0.2
December 31, 1956	667	0.4

Very truly yours,

MERCURY AND CHEMICALS CORPORATION

Richard P. Fischer

Richard P. Fischer
President

RPF:ma

Encls.

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. W

Bu. Vou. No. 1913

U. S. _____
(Department, bureau, or establishment)

Voucher prepared at Spokane 12/21/56 (Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E998

To Mercury & Chemicals Corporation (Payee)

1897 Riverside St., Eugene, Oregon (Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	November 1956	Balance of payment for drifting due operator which was withheld when payment was made on the Nov. MF-104 December 11, 1956, Voucher No. 1908.				1,700.50	

PAYMENT:
- Complete ☐
- Partial ☐
- Final ☐

Use continuation sheet(s) if necessary

Shipped from to Weight Government B/L No. Total 1,700.50

(Payee must NOT use this space)

Differences

Account verified; correct for 1,700.50

(Signature or initials)

Contract No. Date Req. No. Date Invoice Rec'd

RECEIVED DEC 23 1956 C.M.E.A.

1,700.50

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____.

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

☆ U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1956 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury & Chemicals Corp. Minerals Mercury
Address Black Butte, Oregon
Contract Amount, $ 62,340.00 Government Participation: 75 % Amount, $ 46,755.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		0.00				
Bulldozing 47 hrs.	705.00	0.00	705.00	-0-	-0-	-0-
Crosscutting		0.00				
Drifting 131 feet	3401.00	0.00	3401.00	1700.50	-0-	1700.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	1920.00	0.00	1920.00	1920.00	-0-	1920.00
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	51.00	0.00	51.00	51.00	-0-	51.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6077.00	0.00	6077.00	3671.50	-0-	3671.50

RECEIVED DEC 7 1956 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec. 7, 1956 *Payee Mercury & Chemicals Corp.

Per Richard P. Fischer Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2753 63

Signature M 2P
(Authorized Certifying Officer)

Date 12-11-56 Vou. No. 1908
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 99 8 in accordance with the terms of the contract.

Signature 1st Stephen W Goldich Title Mining Engr Date 12-10-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Wing G Agnew Title Acting Exec Date 12-11-56

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED DEC 7 1956 D.M.E.A.

Month of November 1956 Docket No. DMEA 4263 Contract No. Idm-E998
Operator's Name Mercury & Chemicals Corp. Minerals Mercury
Address Black Butte, Oregon

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	1 ft.	$3401.00	131	$3401.00	131		1200	26.00
Crosscutting	1 ft.							
Raising	1 ft.						300	25.00
~~XXXXX~~								
~~XXXXX~~ Bulldozing	1 hr.	705.00	47	705.00	47		100	15.00
Drilling: Core Undergrd.	1 ft.						1000	4.00
~~XXXX~~ Surface	1 ft.						2000	6.00
Auger								
~~XXXXX~~ Drift Timber-ing	1 ft.						500	5.00
Trenching								
~~XXXXX~~ Assaying	1 assay	51.00	17	51.00	17		300	3.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$4157.00		$4157.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		$1920.00	640ft	$1920.00		640 ft.		$1920.00
New Buildings, Improvements, etc.								820.00
TOTAL COSTS		$6,077.00		$6077.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Dec. 7, 1956 Operator Mercury & Chemicals Corp.

Per Richard P. Teacher Title President

NOTE.—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.

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ Stephen H Goldok

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

December 7, 1956

Mr. A. E. Weissenborn
U. S. Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane, Washington

Ref: Docket No. DMEA-4263 (Mercury)
Black Butte Mine
Lane County, Oregon
Contract No. Idm-E998

NARRATIVE REPORT

Dear Mr. Weissenborn:

Attached hereto are:

1. A progress map which shows the extent of exploratory work on the 1100 level completed as of the end of November, 1956.

2. Form MF-104-Operators Monthly Report and Voucher.

3. Form MF-104A-Operator's Unit Cost and Progress Report.

Work started on the program about November 1st and has progressed well. The rehabilitation on the 1100 level has been completed. The drift, as shown on the map, has been extended 131 feet. We have been in a mineralized zone throughout and have taken samples regularly. The assays are as follows:

Date	Sample No.	lbs. Hg/Ton
November 1st	506	1.3
November 2nd	508	1.0
November 3rd	510	1.1
November 5th	511	0.7
November 8th	518	0.4
November 10th	520	0.4
November 12th	521	0.5
November 13th	524	0.6
November 14th	526	0.9
November 16th	529	0.6
November 19th	538	1.4

Date	Sample No.	lbs. Hg/Ton
November 23rd	548	0.6
November 24th	553	0.5
November 26th	554	0.2
November 27th	560	0.3
November 29th	569	0.6
November 30th	572	0.4

There has been nothing unusual encountered. The ground drills well and stands well. No timbering has been needed.

Very truly yours,

MERCURY AND CHEMICALS CORPORATION

Richard P. Fischer

Richard P. Fischer
President

RPF:ma

Encls.

DMEA Field Team, Region I, NW Dist. December 12, 1956

DMEA Certifying Officer, Region I

Docket No. DMEA 4263, Contract No. Idm-E998. Mercury & Chemicals Corp.
Monthly operating report for November 1956.

The subject monthly operating report has been processed and forwarded to the disbursing officer for payment.

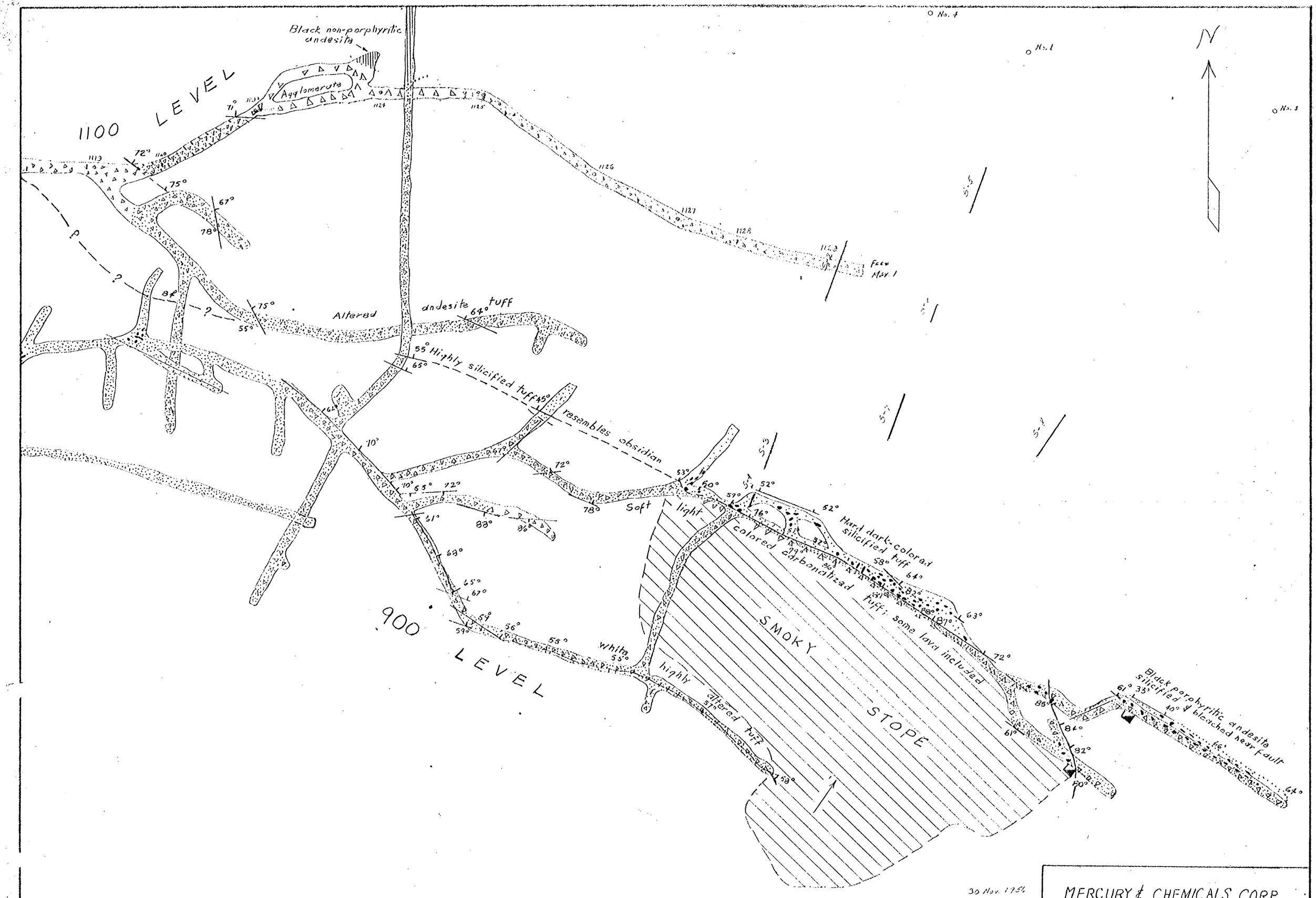
Suspensions have been made as follows:

1. The Operator claimed $705.00 for bulldozing which was done with an IH-TD18A bulldozer. According to the contract the work should have been done with a D-8 or equivalent. Therefore, it has been necessary to suspend payment of this cost until an amendment can be prepared to allow the use of the IH-TD18A equipment. If our Washington, D.C. office approves this amendment the above mentioned bulldozing cost can be allowed.

2. Costs were claimed for 131 feet of drifting for a total drifting cost of $3,401.00. Half of this amount has been approved for payment and the balance will be sent the Operator as soon as the footage can be verified by the U. S. Bureau of Mines engineer who is making an inspection this week.

Myrtle Purdy

cc: DMEA (2)
USGS (2)
Wash. 2
JDB
AD

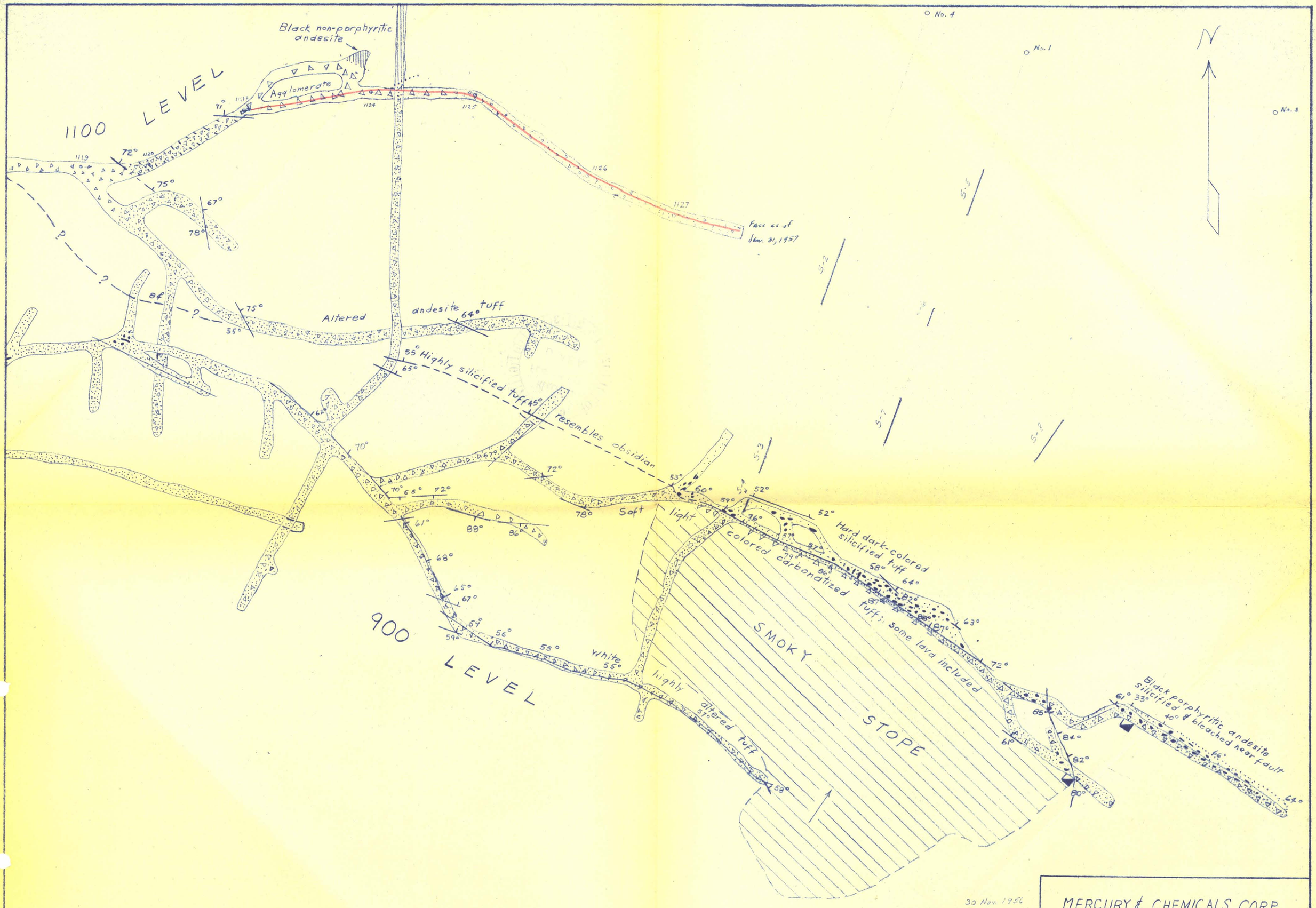


30 Nov. 1956
2 Nov. 1957
1 Feb 1957
1 Mar. 1957

MERCURY & CHEMICALS CORP.
BLACK BUTTE MINE

Showing area of DMEA exploration

Scale 1" = 40 feet



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BLACK BUTTE MINE
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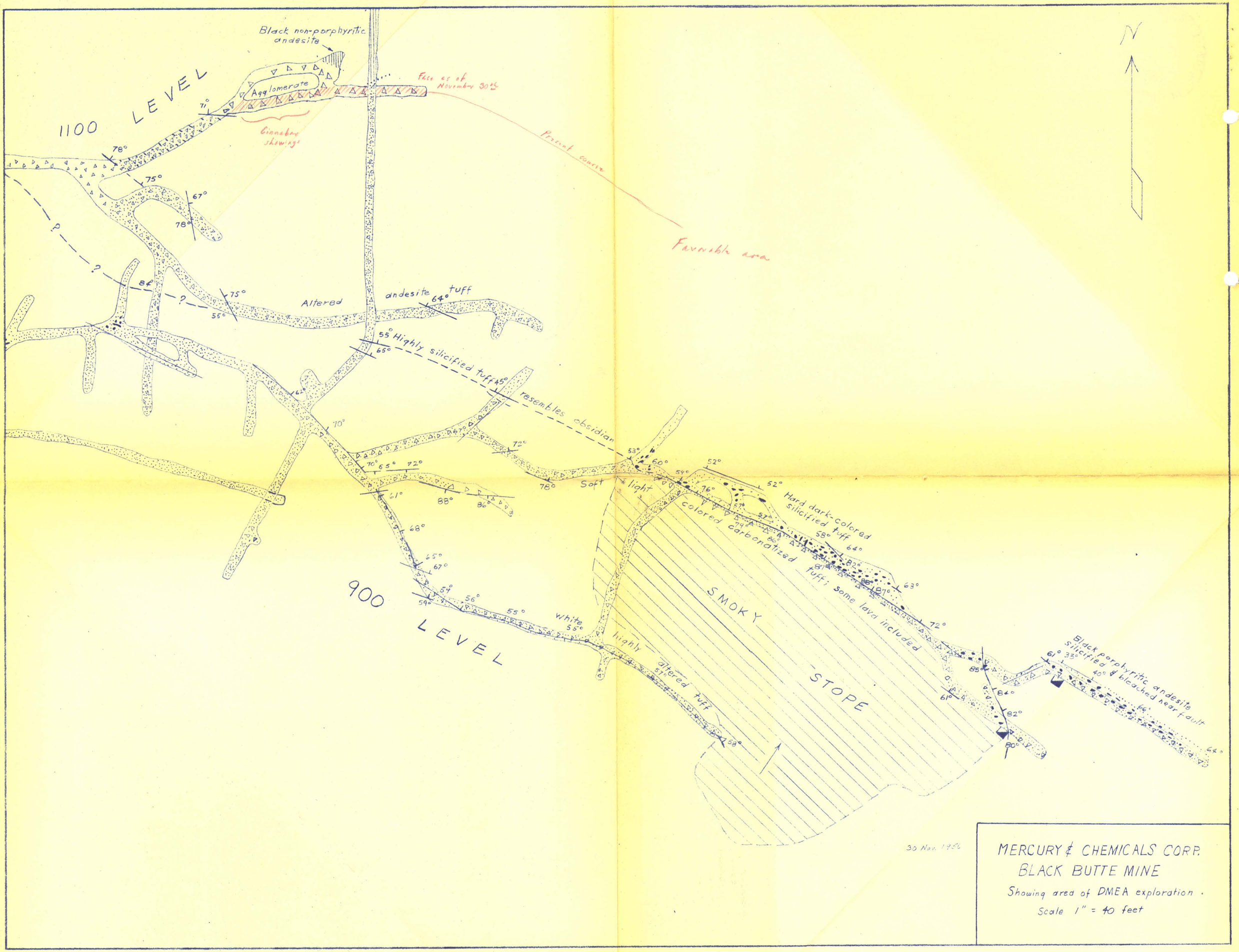

MERCURY & CHEMICALS CORP.
BLACK BUTTE MINE
Showing area of DMEA exploration.
Scale 1" = 40 feet