DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E-540 DMEA NO. 2742

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

✓ Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
✓ Interim Audit(s)
Report of Review
✓ Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien
✓ Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) Envelope for maps

Right Side

Project summary
✓ Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
Operator's Final Report
(2R) ✓ Interim Reports
(2R) ✓ Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

Reported Inactive 12/28/59

R.C.S.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E540, Docket DMEA-2742 (mercury), dated June 2, 1953, with

DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska
now known as
Alaska Mines and Minerals Incorporated
P. O. Box 422
Anchorage, Alaska

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the DeCoursey Mountain Mine, Kuskokwim Precinct, 4th Judicial Division, Alaska, during the period September 9, 1959, through December 31, 1961.

In accordance with a May 24, 1957, Termination Agreement and Article 9 and Annex III of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated February 27, 1959, indicated accepted costs under the exploration contract amounting to $42,000.00 with the Government's contribution on a 75 percent basis being $31,500.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through September 8, 1959. Accordingly, as of December 31, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

December 19, 1962

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract, as amended by the Termination Agreement, provides that the Operator, as principal if the producer or surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of the Snow Bird Nos. 1 to 5 and Last Chance Nos. 1 to 3 lode mining claims located in the Otter Mining District about 17 miles NW of Crooked Creek. At the time the contract was executed the Operator was in possession by virtue of an Escrow Contract of purchase dated October 16, 1951. An Owner's Consent to Lien was executed by the seller, Robert F. Lyman, on March 16, 1953.

Exploration work under the contract was suspended on October 31, 1954. Work was not resumed and was formally terminated by an agreement dated May 24, 1957. There was no production during the exploration period. Subsequent examinations of the property and checks at State of Alaska offices by representatives of DMEA and OMK have disclosed no evidence of production through December 31, 1961.

In November 1954 control of the Operator was acquired by the firm of Brewis and White, 145 Yonge Street, Toronto 1, Ontario, Canada, through its holding company known as DeCoursey-Brewis Minerals Limited, a Canadian corporation. On December 15, 1958, the Operator's name was changed to Alaska Mines and Minerals Incorporated.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files contain no evidence of production from the date of the contract through the period covered by this review; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

Mr. Hoff
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OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E540, Docket No. DMEA-2742(Mercury), dated June 2, 1953, with

DeCoursey Mountain Mining Company
P. O. Box 523
Anchorage, Alaska

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as DeCoursey Mountain Mine located near Crooked Creek, Alaska, during the period June 2, 1953, through September 8, 1959.

In accordance with Termination Agreement dated May 24, 1957, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated February 27, 1959, indicated accepted costs under the exploration contract amounting to $42,000.00 with the Government's contribution, on a 75 percent basis, being $31,500.00.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) According to final report dated October, 1958, and other documents in the files the property has been idle since November 1, 1954, and no mercury has been produced from the property since the date of the contract; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review indicated that there has not been any production or sales of minerals from the land described in Article 2 of the contract since June 2, 1953, and no royalty is due the Government.

C. E. Fisher

C. E. Fisher, OME Auditor

October 19, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name DeCoursey Mountain Mine

Address P. O. Box 523

Anchorage, Alaska

Exploration Contract No. Idm-E540 Docket No. DMEA-2742

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

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OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

DeCourcey Mountain Mining Co., Inc.
Red Devil, Alaska

pertaining to Exploration Project Contract No. Ida-8540, DMA No. 27AR, including Amendment No. 1 and a Termination Agreement dated May 24, 1957, for the period of March 31, 1953, to October 31, 1954, inclusive, covering a mercury project at the DeCourcey Mountain Mine near Cyanide Creek, Fourth Judicial District, Territory of Alaska.

My review included an examination of the Monthly Reports (Form MR-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reason that:

All costs prior to November 1, 1954, the effective date of the Termination Agreement, were covered by a Second Interim Audit Report and Certificate issued by this auditor on April 23, 1955.

The findings of this review are stated in the following summary:

Total cost billed by Operator	$38,314.63
Exceptions (see Audit Report for details)	38,314.63
Acceptable cost	$42,000.00

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments to follows are valid and proper:

Payable on audited claim	$31,500.00
Paid to date	25,154.38
Balance due Operator	6,345.62

Pd. 3/16/59

E. D. Tallent

E. D. Tallent, Auditor

February 27, 1959

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of the:

DeCourcey Mountain Mining Co., Inc.
P. O. Box 119
Anchorage, Alaska

pertaining to Exploration Project Contract No. Idm-E540, Docket DMEA-2742, dated June 2, 1953, including Amendment No. 1, and an agreement authorizing prior costs, covering a project for the exploration of mercury on property known as the DeCourcey Mountain Mine, located near Crooked Creek in the Other Mining and Recording Precinct of the Fourth Judicial District in the Territory of Alaska, for the period of March 31, 1953, to October 31, 1954, inclusive.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$58,334.03
Exceptions (see Audit Report for details):		
During prior audit	$-2,199.81	
During this audit	18,533.84	16,334.03
Total Accepted Cost		$42,000.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty-one thousand five hundred and no/100 Dollars,

$31,500.00

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert, Auditor

April 23, 1955

INTERIM AUDIT REPORT

I INTRODUCTION

On April 21 and 22, 1955, an interim audit (covering operations for the period of March 31, 1953, to October 31, 1954) was made of the records and accounts pertaining to Exploration Project Contract No.IDM-540, Docket DMEA-2742, dated June 2, 1953, including Amendment No. 1 and an agreement authorizing prior costs, with the:

DeCourcey Mountain Mining Co., Inc.
P. O. Box 119
Anchorage, Alaska

covering a project for the exploration of mercury on property known as the DeCourcey Mountain Mine, located near Crooked Creek in the Otter Mining and Recording Precinct of the Fourth Judicial District in the Territory of Alaska.

Subsequent to the period covered by, but prior to the date of, this audit the Operator became a wholly-owned subsidiary of the DeCourcey-Brewis Minerals Limited, which in turn is a subsidiary of Brewis & White, Ltd., 145 Yonge Street, Toronto, Canada. The President of the DeCourcey Mountain Mining Co., Inc., is Robert F. Lyman, Crooked Creek, Alaska, and the President of the DeCourcey-Brewis Minerals Limited is A. W. White, Toronto, Canada. H. R. Beckrith, Sleetmute, Alaska, is General Manager of the DeCourcey operations.

The costs claimed under the contract for the period of March 31, 1953, to October 31, 1953, were covered by an interim audit report issued by this auditor under date of April 5, 1954. A complete review and analysis in preparation for this audit was made on April 18 and 19, 1954, of the documentation submitted by the Operator in support of subsequent Monthly Report and Voucher Forms MF-104 and retained in the files of the Authorized Certifying Officer, Bureau of Mines, Douglas, Alaska.

The accounts and original records pertaining to this project were in the custody of Miss Vivian Short, the Company's bookkeeper, and were located at her residence in the Dodd Apartments, 615 "H" Street, Anchorage, Alaska. This auditor was informed by Miss Short that it was planned to move the records to the Company's office at the Red Devil Mine, near Sleetmute, Alaska, in the near future.

The audit was performed with the most cooperative assistance of Miss Short.

II GENERAL INFORMATION ON RECORDS

A general set of corporation accounting records was maintained by this Operator. The records did not include cost accounts which adequately distributed incurred costs according to the categories and items

sts specified in this exploration contract or between this contract another (IAa-2539, DMEA-2741) with the same Operator. This, however, no detriment to the audit, since adequate evidence of costs incurred generally was available in the form of canceled checks to supplement the invoices, statements, waybills, receipts, carbon copies of payroll time sheets and other documents, with which the Monthly Report and Voucher Forms MF-104 were supported.

The major portion of the costs were paid by checks signed by the Secretary-Treasurer and a Director and drawn on Company accounts with the National Bank of Alaska and the First National Bank of Anchorage. A "special account" also was maintained with the First National Bank of Anchorage, on which checks were drawn by Paul M. Sorensen, Engineer-Supervisor, for site costs including termination pay of employees.

The Operator's accounts are audited at the close of each fiscal year, October 31, by Jones & Andersen, Public Accountants, 201 Loussac-Sogn Building, Anchorage, Alaska.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy propriety and validity of the costs shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the period ending October 31, 1954. The findings, after reconciliation with the prior audit and correction of improper distributions of charges to the "Items of Cost" shown on the Forms MF-104, follow:

(1) Independent Contracts:

This item of costs is not applicable to the work performed during the period under audit.

(2) Labor and Supervision:

A detailed audit and analysis of the individual combination time sheets and payrolls disclosed the following aggregate charges applicable to, and acceptable as project costs under, this item:

Classification	Rate	Regular	Overtime	Costs
Various Labor	@ $1.65/hr.	64 hrs.	32 hrs.	$ 184.80
" "	1.75/hr.	58½ "	27½ "	174.56
" "	2.00/hr.	1,682 "	722 "	5,530.00
" "	2.50/hr.	992½ "	260½ "	3,380.62
" "	3.00/hr.	720 "	463 "	4,243.50
Leadman	@ $600/mo.	for 5 mos.		3,000.00
Cook	@ $308/mo.	" 6 "	5 days	1,844.55
"	@ $400/mo.	" 2 "	6 "	880.00
Total Labor				$19,238.03

Supervision:

Paul W. Sorensen @ 1/2 of $1,000/mo. for 5 mos.	2,500.00
Total Labor and Supervision	$21,738.03

The following adjustments were effected by this audit in making the above audit determinations:

(a) an additional allowance under Labor of $174.56 as detailed in the prior audit report;

(b) a Labor disallowance of $300.00 as specified in the prior audit report; and

(c) a disallowance under Supervision of $2,250.00 for salaries claimed in excess of the "allowable maximum" of $2,500.00 for Stage I as specified in Exhibit "A" of the contract.

(3) Operating Materials & Supplies:

A detailed audit and analysis of vendors' invoices, delivery tickets, and other documents resulted in a determination of the acceptable costs under this item. These acceptable costs are summarized as follows:

Timber	$ 165.76
Pipe and Fittings	120.85
Fuels and Lubricants	4,647.45
Drill Steel, Bits, etc.	776.79
Miscellaneous (Small Tools, Hdwe., etc.)	966.65
Total	$6,677.50

In the determination of the above costs the following audit adjustments were made:

(a) an additional allowance of $2,624.20 as specified in the prior audit report; and

(b) a disallowance of $261.00 for a returnable deposit on 87 drums @ $3.00 each procured from Robert F. Lyman, Crooked Creek, on May 18, 1953. This item was allowed by the prior audit, but is now disallowed to avoid the necessity of maintaining the Government's equity therein. This disallowance, as well as others in following categories, has not affected the total amount of costs acceptable by audit, since the Operator's total costs were far in excess of the "allowable maximum" for the work performed.

(4) Operating Equipment:

Acceptable costs under this category were determined by audit to consist of the following:

Rentals ($9,250.00 claimed and disallowed)	$ -0-
Purchases:	
1 Kohler Light Plant	350.00
1 210 CFM Joy Compressor w/D315 engine	5,500.00
1 HS15 Joy Drill w/accessories	2,000.00
1 Rod Puller, air-powered	272.37
1 Battery Charger	60.00
1 14x16 4' Wall Tent, heavy CD	56.23
1 Northern Radio-Telephone, including modification, parts and installation	414.40
Depreciation (various at no charge)	-0-
Total	$8,643.00

Under the title of "To be reached", Exhibit "A" of the contract provided $4,000.00 under Stage I and another $4,000.00 under Stage II, as the aggregate monthly payments on a TD-14 Tractor w/dozer to be acquired under a rental-purchase agreement at a purchase price of $8,000.00, with a stipulation that "the Operator shall furnish the Government with copies of the rental-purchase agreement."

The records indicate that an TD-14 Tractor w/dozer was acquired from Robert F. Lyman, Crooked Creek. The prior audit stated "It was ascertained during the audit that the Operator had not furnished the Government with a copy of this agreement as specifically required by the terms of the exploration project contract. This deficiency was called to the attention of both the Operator and the DMEA Regional Executive Officer." As of the date of this audit no copy of the agreement had been furnished the Government and the agreement was not available to this auditor during either this or the prior audit. Furthermore, although only Stage I of the exploration work had been completed and the Operator's records indicated aggregate rental payments through October 31, 1954, of $5,600.00, the Operator claimed a total of $8,800.00 on the monthly Forms MF-104. In view of this confused and unexplained situation the entire amount of $8,800.00 has been disallowed.

On the August to October 1954, inclusive, MF-104 the Operator inexplicably claimed 6 months rental at $75.00 per month, a total of $450.00, for the Northern Radio-Telephone which had been purchased in May 1954, from Glen Carrington and Co., Seattle, Washington. This $450.00 has been disallowed.

The Joy Drill listed under Purchases in the above summary was transferred on September 22, 1954, to the Red Devil Mine near Sleetmute for winter storage and was destroyed in a fire at the Red Devil Mine on October 22, 1954.

The Operator claimed nothing under Depreciation since Exhibit "A" of the contract provided that certain equipment and supplies then on the property would be furnished "without charge against the project, except for costs of operation, maintenance and reasonable repairs."

(5) Initial Rehabilitation & Repairs:

No costs applicable to this category were claimed by the Operator.

(6) New Buildings, Improvements, etc.:

The audit and analysis of costs claimed disclosed that the only acceptable items under this category were material costs of lumber, celotex and roofing paper aggregating $472.40. During the prior audit the Company's President informed this auditor that the building involved was constructed with contract labor not charged to the project.

(7) Miscellaneous:

The audit disclosed costs in this category to be allowable as follows:

Repairs to Equipment (Parts)	$2,296.22
Payroll Taxes	947.39
Liability Insurance	790.78
Travel	1,457.84
Freight	5,251.87
Total	$10,744.10

Payroll Taxes were at the following rates on applicable salaries and wages:

F.I.C.A. (Social Security)	in 1953	1.5%
" " "	" 1954	2.0%
Territorial Unemployment		2.7%
Federal "		.3%

Liability Insurance was claimed only during 1954 and was under policy UL-50588, dated September 1, 1953, issued by Lloyd's of London through the Caffey-Simpson Agency, Inc., 412 Fourth Ave., Anchorage. The applicable rates were:

Underground Labor	$12.16	per	$100.00
Surface Labor	6.59	"	100.00
Kitchen Labor	1.77	"	100.00
Supervision (eff. 6/1/54)	.126	"	100.00

Travel and Freight were charged, during the period covered by the prior audit, on the basis of actual costs incurred in obtaining such services from commercial sources. During the period covered by this audit the amount of $1,590.00 was claimed for 53 "chartered" 40-minute round trips at $30.00 a trip between the Red Devil and DeCourcey Mines carrying equipment, supplies and personnel in a Cessna 180 No. 15E-0-C. An audit report dated February 7, 1955, covering the fiscal year ending October 31,'54, prepared by Jones & Anderson, Public Accountants, states:

"During the year under review, the company purchased a Cessna 180 aircraft and an oil barge for the purpose of transporting its own freight and passengers to the mine property. Charges were made at commercial rates to the various capital and operating accounts and credited to the costs of aircraft and barge operation."

Examination of an account numbered 5314/5315, entitled "Aircraft Operating Account," disclosed credits for the fiscal year of $25,955.69 as against debits of $19,227.38, a net inter-company "profit" of $6,728.31 or 25.9% on credits. Accordingly the $1,590.00 claimed for "charter" flights has been reduced by 25.9%, or $411.81, by this audit and the balance of $1,178.19 considered as representing the acceptable actual costs of this service. Furthermore, since the flight logs indicated that personnel were carried in approximately 90 percent of the trips, $589.09 has been allowed as Travel and $589.10 as Freight.

Although the Exhibit "A" of the contract included a specific estimate for accounting services, no claim was made by the Operator for the costs of such services.

In determining the allowable costs for this category the following disallowances were effected:

(a) Under Payroll Taxes the amount of $38.28 as detailed in the prior audit and an aggregate of $55.00 for taxes applicable to the Supervision disallowed by this audit;

(b) Under Liability Insurance $19.00 for that portion of the premiums applicable to the disallowed Supervision;

(c) Under Travel disallowances aggregating $421.47 specified in the prior audit and $205.90, 50% of the $411.81 excess "charter" costs discussed in a paragraph above; and

(d) Under Freight the aggregate disallowances of $39.20 detailed in the prior audit and $205.91, 50% of the $411.81 excess "charter" costs.

<u>Other Observations</u>:

The audit disclosed that the Operator had disregarded many of the terms of the contract relative to allowable costs, as evidenced by his claims for excess supervision costs, unsubstantiated and excess rentals for the tractor, and the rentals for a radio-telephone previously charged as a purchase. Also, although the contract specifies "not to exceed an aggregate total of 2,500 feet of horizontal diamond drill hole," the MF-104A indicates the completion of 2,620 feet.

On the other hand the Operator has not charged the project for many costs, which would otherwise be allowable under the terms of the contract (for example, the labor for building construction, accounting

services, transit rental, camp equipment and office supplies), for the reason that total costs claimed were far in excess of the aggregate allowable under Stage I. The indications are that the estimates included in Exhibit "A" were made without due consideration being given to the remote location of the project and the high costs inherent to that section of Alaska.

IV CONCLUSIONS AND RECOMMENDATIONS

The audit disclosed that all costs, indicated as acceptable in the foregoing section of this report, were reasonable and proper under the terms of the contract. However, since the aggregate of these acceptable costs is in excess of the "allowable maximum" of $42,000.00 specified for Stage I in Exhibit "A" of the contract, an additional disallowance of $6,287.03 has been required. The audit findings are summarized in Exhibit "A", attached hereto, to indicate by categories and items the amounts claimed, the corrected distribution, the disallowances by the prior audit, the disallowances by this audit and the acceptable costs.

It should be noted that, on the basis of the Government's contractual 75 percent participation in the accepted costs, there is due the Operator the sum of $5,345.62 in addition to the sum of $26,154.38 heretofore paid by the Government. However, since the project has been in an unauthorized recess since September 22, 1954 (and the contract completion date was December 2, 1954, per Amendment No. 1), it is recommended that no further amounts be paid by the Government until the project work is resumed or, in event the contract is officially terminated, until the final geological and engineering report required by Article 7 (b) of the contract is furnished to the Government.

Consideration also should be given to waiving the Government's interest in project equipment. The Government's equity in the salvage value of the equipment (after deduction of the Jay Drill destroyed by fire) would appear to be much less than the disallowance of $6,287.03 for excess costs over the "allowable maximum" for Stage I. These excess costs, which are otherwise acceptable costs, would offset the value of such waiver.

The contract contained several items expressly designated as "allowable maximums". The status of these designations, after deduction of the disallowances, is summarized as follows:

	Allowable Maximum	Acceptable Costs	Balance
Stage I:			
Supervision	$ 2,500.00	$ 2,500.00	$ -0-
Initial Rehab. & Repairs	500.00	-0-	500.00
New Bldgs. & Improvements	3,000.00	472.40	2,527.60
Air Travel	2,000.00	1,457.84	542.16
Total Stage I	42,000.00	42,000.00	-0-

	Allowable Maximum	Acceptable Costs	Balance
Stage II:			
Independent Contracts-			
Drift/Crosscut	7,500.00	-0-	7,500.00
Diamond Drill	17,500.00	-0-	17,500.00
Supervision	3,000.00	-0-	3,000.00
Air Travel	1,200.00	-0-	1,200.00
Total Stage II	39,000.00	-0-	39,000.00

The contract also included a prior agreement, dated March 31, 1953, permitting the procurement and transportation of supplies and equipment prior to the date of the contract, June 2, 1953, in a sum not in excess of $25,000.00 in total for both this contract and contract Idm-E539. The acceptable costs of purchases and transportation applicable to this prior agreement have been allowed as follows:

Operating Materials & Supplies	$ 2,756.73
Operating Equipment (Purchased)	7,966.23
New Bldgs., Improvements, etc. (Materials)	46.40
Repairs to Equipment (Parts)	433.77
Freight	1,233.02
Total this contract	$11,436.15
Total on Idm-E539	4,339.99
Total both contracts	$15,776.14

During the course of this audit the findings were discussed with Miss Vivian Short, the Company's bookkeeper. At the conclusion of the audit the findings were discussed with Mr. S. N. Lovain, Executive Officer, DMEA Field Team, Alaska District, Region I.

E. D. Talbert

E. D. Talbert, Auditor

April 23, 1955

Exhibit "A" — AUDIT SUMMARY — Idm-8540

	Totals Cost. MF-104	Corrected Distribution	Disallowed Prior Audit	Disallowed This Audit	Accepted Costs
(1) Independent Contracts	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
(2) Labor & Supervision:					
Labor	19,363.47	19,363.47	125.44	-0-	19,238.03
Supervision	4,750.00	4,750.00	-0-	2,250.00	2,500.00
Technical Services	-0-	-0-	-0-	-0-	-0-
(3) Operating Matls. & Supplies:					
Timber	-0-	165.76	-0-	-0-	165.76
Pipe & Fittings	-0-	120.85	-0-	-0-	120.85
Fuel & Lubricants	-0-	2,084.25	-2,824.20	261.00	4,647.45
Drill Steel, Bits, etc.	-0-	776.79	-0-	-0-	776.79
Miscellaneous	6,766.25	966.65	-0-	-0-	966.65
(4) Operating Equipment:					
Rental	9,250.00	9,250.00	-0-	9,250.00	-0-
Purchase	8,019.15	8,653.00	-0-	-0-	8,653.00
Depreciation	-0-	-0-	-0-	-0-	-0-
(5) Initial Rehabilitation & Repairs	37.32	-0-	-0-	-0-	-0-
(6) New Bldgs., Improvements, etc.	472.40	472.40	-0-	-0-	472.40
(7) Miscellaneous:					
Repairs to Equipment	226.40	2,296.22	-0-	-0-	2,296.22
Sampling & Analysis	-0-	-0-	-0-	-0-	-0-
Payroll Taxes	1,040.67	1,040.67	38.28	55.00	947.39
Liability Insurance	809.78	809.78	-0-	19.00	790.78
Travel	7,584.19	2,085.21	421.47	205.90	1,457.84
Freight		5,498.98	39.20	205.91	5,253.87
Other	14.40	-0-	-0-	-0-	-0-
Totals	$58,334.03	$58,334.03	$-2,199.81	$12,246.81	$48,287.03
Additional Disallowances:					
Excess over "allowable maximum", Stage I				6,287.03	6,287.03
Adjusted Totals	$58,334.03	$58,334.03	$-2,199.81	$18,533.84	$42,000.00

21,738.03

6,677.50

10,740.30

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of the:

DeCourcey Mountain Mining Co., Inc.
P. O. Box 1714
Anchorage, Alaska

pertaining to Exploration Project Contract No. Idm-E540, Docket DMEA-2742, dated June 2, 1953, including an agreement authorizing prior costs, covering a project for the exploration of mercury on property known as the DeCourcey Mountain Mine, located near Crooked Creek in the Other Mining and Recording Precinct of the 4th Judicial District in the Territory of Alaska, for the period of March 31, 1953 to October 31, 1953, inclusive.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor			$35,472.50
Exceptions (see Audit Report for details):			
Prior to this audit	$600.00		
Less: Reinstatement	600.00	$ -0-	
During this audit		-2,199.81	-2,199.81
Total Accepted Cost			$37,672.31

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-eight thousand two hundred fifty-four and 23/100 Dollars,

"$28,254.23"

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

E. D. Talbert, Auditor

April 5, 1954

Interim Audit Cert.
April 5, 1954

INTERIM AUDIT REPORT

I INTRODUCTION

On March 22 and 23, 1954 an interim audit (covering operations for the period of March 31, 1953 to October 31, 1953) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-E540, Docket No. DMEA-2742, dated June 2, 1953, including an agreement authorizing prior costs, with the:

DeCourcey Mountain Mining Co., Inc.
P. O. Box 1714
Anchorage, Alaska

covering a project for the exploration of mercury on property known as the DeCourcey Mountain Mine, located near Crooked Creek in the Otter Mining and Recording Precinct of the 4th Judicial District in the Territory of Alaska.

Prior to the actual site audit of the records, this auditor made a complete review and analysis on March 14 and 15, 1954 of the documentation submitted by the Operator in support of the Monthly Report and Voucher Forms MF-104 and retained in the files of the Bureau of Mines Regional Finance Officer, Region I, Douglas, Alaska.

The accounts and original records pertaining to this project were in the custody of Mr. Edward N. Dodd, President of the DeCourcey Mountain Mining Co., Inc., and were located in the Company's office at 6th Avenue and C Street, Anchorage, Alaska. The accounts were maintained under the direction of Mr. A. F. Reets, an accountant with the public accounting firm of Jones & Anderson, Anchorage, Alaska. Both Mr. Dodd and Mr. Reets were consulted continuously during the course of the audit and were most cooperative at all times.

II GENERAL INFORMATION ON RECORDS

A general set of corporation accounting records were maintained by this Operator. The records, however, did not include costs accounts which adequately distributed the incurred costs either (1) between this exploration project contract and contract Idm-E539, DMEA-2741, (2) among the several categories of costs within the contracts, or (3) to production costs after January 14, 1954, when production was initiated as the result of exploration under contract Idm-E539. Therefore, the cost distributions for the purpose of this audit generally were based on the data supplied by the original documentation, consisting of payroll time sheets, invoices, statements, waybills, receipts, etc., as supplemented by oral information from Mr. Dodd and Mr. Reets.

The major portion of the costs were paid by checks signed by both Ray Wolfe, Secretary-Treasurer, and Orval R. May, Director, drawn on Company accounts with the National Bank of Alaska and the First National

Bank of Anchorage, both of Anchorage, Alaska. A "special account" also was maintained with the First National Bank of Anchorage, on which checks were drawn by Paul M. Sorensen, Engineer-Supervisor, for site costs including termination pay of employees.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of Form NF-104, Operator's Monthly Report and Voucher, for the period ending October 31, 1953. The findings, after correction of the improper distribution of charges to the "Items of Cost" shown on the Forms NF-104, follow:

(1) Independent Contracts:

This item of costs is not applicable to the contract work performed through the period under audit.

(2) Labor and Supervision:

A detailed audit and analysis of the individual combination time sheets and payrolls disclosed the following changes applicable to, and acceptable as project costs, under this item:

Classification		Rate	Regular	Overtime	Costs
Various Labor	@	$1.65/hr.	64 hrs.	32 hrs.	$ 184.80
" "	@	1.75/hr.	98½ "	27½ "	174.56
" "	@	2.00/hr.	629 "	155½ "	1,724.50
" "	@	2.50/hr.	816 "	216 "	2,850.00
Total @ Average		$2.228/hr.	1567½ hrs.	431 hrs.	$ 4,933.86
Cook	@	$300/mo.	for 2 mos.		600.00
"	@	$400/mo.	" 2 " 6 days		880.00
Leadman	@	600/mo.	" 5 mos.		3,000.00
Total Labor					$ 9,413.86
Engineer-Supervisor (Paul M. Sorensen): @ ½ of $1,000/mo. for 4½ mos.					2,250.00
Total Labor and Supervision					$11,663.86

The following audit adjustments have been made in the determinations shown in the above summary:

(a) An additional allowance of a portion ($174.56) of the wages paid to Louis A. Vandenpool during August and erroneously charged to contract Ibm-E539, from which it was disallowed by audit.

(b) A reinstatement of a suspension of $600.00 covering the leadman's wages made by the Certifying Officer in the payment of the October MF-104 for failure of the Operator to indicate hours of work and rate of pay. The audit disclosed that this employee was on a monthly salary rather than an hourly rate.

(c) A disallowance of $300.00 for the salary of a second cook during the month of August. A second cook for this relatively small working force was considered to be not a reasonable necessary cost.

(3) Operating Materials and Supplies:

A detailed audit and analysis of vendors' invoices, delivery tickets, and other documents resulted in a determination of the acceptable costs under this item. These acceptable costs are summarized as follows:

Timber	$ 165.76
Pipe and Fittings	120.85
Fuels and Lubricants	4,908.45
Miscellaneous (Small Tools, Hdwe., etc.)	914.93
Total	$6,109.99

In the determination of the above costs an additional allowance by audit in the amount of $2,824.20, covering 13,075 gals. of stove oil purchased from the Standard Oil Company, Bethel, Alaska, on August 19, 1953, was effected. This item was erroneously charged to contract IDm-E539 and disallowed thereunder during audit.

Fuels and Lubricants includes a deposit of $261.00 for 87 drums @ $3.00 each procured from Robert Igman, Crooked Creek, on May 18, 1953.

(4) Operating Equipment:

Acceptable costs under this category were determined by audit to consist of the following rentals and purchases:

Rentals:

Robert F. Igman, Crooked Creek, Alaska	
1 HD-14 Tractor w/dozer @ $800/mo.	$4,000.00

Purchases:

May 18, 1953	Robert F. Igman, Crooked Creek, Alaska	
	1 Kohler Light Plant	350.00
April 14, 1953	Northern Commercial Company, Anchorage	
	1 210 CFM Jay Compressor w/D315 engine	5,500.00
April 2, 1953	Alaska Copper Corporation, Seattle	
	1 HS 15 Jay Drill (No. 6309) w/accessories	2,000.00
	1 Battery Charger	60.00
	1 14x16 4' Wall Tent, Heavy CD	56.23
Total Purchases		$7,966.23

The rental payments on the RD-14 Tractor apply toward its purchase under a rental-purchase agreement. It was ascertained during the audit that the Operator had not furnished the Government with a copy of this agreement as specifically required by the terms of the exploration project contract. This deficiency was called to the attention of both the Operator and the DMEA Regional Executive Officer.

(5) Initial Rehabilitation & Repairs:

No costs applicable to this category were claimed by the Operator.

(6) New Buildings, Improvements, etc.:

The audit and analysis of costs claimed disclosed that the only acceptable items under this category were material costs of lumber, calotex and roofing paper aggregating $472.40. The Company's President informed this auditor that the building involved was constructed with contract labor and was not charged to the project.

(7) Miscellaneous:

The audit disclosed costs in this category to be allowable as follows:

Repairs to Equipment (Parts)	$1,469.43
Payroll Taxes	456.88
Travel	866.75
Freight	4,664.77
Total	$7,459.83

In determining the acceptable costs indicated above the following audit adjustments were effected:

(a) A disallowance of $38.28 for Payroll Taxes. The Operator claimed taxes in the amount of $495.16 based on the entire billed payroll at the rates of 1.5% F. I. C. A. (Social Security) and 2.7% Territorial Unemployment Insurance; however, as a result of audit adjustments under Labor and Supervision and also consideration of the Engineer-Supervisor's salary being in excess of maximum taxable bases ($3,600.00 for F. I. C. A. and $3,000.00 for T. U. I.), a recomputation was required.

(b) A disallowance of $11.50 for air travel prior to the date of the exploration contract.

(c) Disallowances aggregating $409.97 for air travel not applicable to this contract. These charges were actually applicable to contract Idm-E539, but since charges for air travel under that contract were in excess of an expressed "allowable maximum", no purpose would be served by transferring these additional costs thereto.

(d) Disallowances aggregating $112.90 for freight on groceries and provisions not applicable to this contract.

(e) Additional allowances aggregating $162.72 for air freight applicable to this contract, but erroneously charged to, and disallowed by audit, under contract Ida-8539.

(f) A disallowance of $89.02 for air freight applicable to contract Ida-8539, and allowed by audit thereunder.

IV CONCLUSIONS

The audit disclosed that all costs, indicated as acceptable in the foregoing section of this report, were reasonable and proper under the terms of the contract. The audit findings are summarized as follows:

Items of Cost	Claimed Totals Cont. NF-194	Corrected Distribution	Disallowed By Audit	Accepted Costs
(2) Labor & Supervision:				
Labor	$ 9,539.30	$ 9,539.30	$ 125.44	$ 9,413.86
Supervision	2,250.00	2,250.00	-	2,250.00
(3) Operating Materials and Supplies:				
Timber	-	165.76	-	165.76
Pipe & Fittings	-	120.85	-	120.85
Fuel & Lubricants	-	2,084.25	-2,824.20	4,908.45
Miscellaneous	5,136.70	914.93	-	914.93
(4) Operating Equip.:				
Rental	4,000.00	4,000.00	-	4,000.00
Purchase	7,604.75	7,966.23	-	7,966.23
(6) New Buildings, Improvements, etc.	472.40	472.40	-	472.40
(7) Miscellaneous:				
Repairs to Equipment	-	1,469.43	-	1,469.43
Payroll Taxes	495.16	495.16	38.28	456.88
Travel	1,538.23	1,290.22	421.47	868.75
Freight	4,455.96	4,708.97	39.20	4,669.77
Totals	$35,472.50	$35,472.50	$-2,199.81	$37,671.31

The costs, as summarized above, may appear to be excessive for the amount of contract work accomplished, but it appears, also, that costs in excess of those indicated by the contract estimates were occasioned by the remoteness of the project, transportation difficulties, non-availability of competent drill operators, an unanticipated breakdown of the diamond drill and a resultant delay in securing the necessary repair parts.

It should be noted that on the basis of the Government's contractual 75percent participation in the accepted costs, shown in the above summary, there is due the Operator the sum of $2,099.85 in addition to the total amount of $26,154.38 heretofore paid by the Government. However, since the project work has been recessed for the period of November 1, 1953 to May 1, 1954, it is recommended that no further payments be made by the Government pending resumption of the exploration work.

This contract contained several items expressly designated as "allowable maximums". The status of these allowable maximums, after consideration of the audit adjustments, is summarized as follows:

Item	Allowable Maximum	Acceptable Cost	Balance
Stage I:			
Supervision	$ 2,500.00	$ 2,250.00	$ 250.00
Initial Rehab. & Repairs	500.00	-	500.00
New Bldgs., Improvements, etc.	3,000.00	472.40	2,527.60
Air Travel	2,000.00	868.75	1,131.25
Total Stage I	42,000.00	37,672.31	4,327.69
Stage II:			
Independent Contracts:			
Drift or Crosscut (300' @ $25/ft.)	7,500.00	$ -0-	$ 7,500.00
Diamond Drill (2500' @ $7/ft.)	17,500.00	-0-	17,500.00
Supervision	3,000.00	-0-	3,000.00
Air Travel	1,200.00	-0-	1,200.00
Total Stage II	39,000.00	-0-	39,000.00

This contract also included a prior agreement, dated March 31, 1953, permitting the procurement and transportation of supplies and equipment prior to the date of the contract, June 2, 1953, in a sum not in excess of $25,000.00 in total for both this contract and Idm-E539. The acceptable costs of purchases and transportation applicable to this prior agreement have been allowed as follows:

Operating Materials & Supplies	$ 3,017.73
Operating Equipment (Purchased)	7,966.23
New Bldgs., Improvements, etc. (Materials)	46.40
Repairs to Equipment (Parts)	433.77
Freight	3,235.02
Total this contract	$14,699.15
Total on Idm-E539	4,339.99
Total both contracts	$19,039.14

At the conclusion of this audit the findings were discussed on March 23, 1954 in detail with both Mr. Edward N. Dodd (President of the Company) and Mr. A. F. Roets (Public Accountant) and very briefly with Mr. Orval R. May (a Director of the Company). The findings also were discussed with Mr. S. H. Lorain (Executive Officer, DMEA Field Team, Region I) on March 25, 1954.

April 12, 1954

E. D. Talbert

(E. D. Talbert, Auditor

Martin
Chapman
Martin
Chambers
Selfridge

TERMINATION AGREEMENT

It is agreed this 24th day of May, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government" and DeCoursey Mountain Mining Company, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E540 (Docket No. DMEA-2742), dated June 2, 1953, as amended, hereinafter called the "Contract," that:

1. Effective November 1, 1954, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date.

3. The Operator shall render a final report and shall preserve records as provided in the contract.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said contract, except as otherwise provided in this termination agreement.

5. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions as if certification of discovery or development had been made, such certification being hereby waived.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. W. Mittendorf
Administrator, Defense Minerals
Exploration Administration

DeCOURSEY MOUNTAIN MINING COMPANY, INC.

By Ray Gage

Title President

RECEIVED
SEP 27 1957
D.M.E.A.

Defense Minerals Administration
RECEIVED
OCT 1953

Docket copy

EXPLORATION PROJECT CONTRACT
DECOURSEY MOUNTAIN MINING COMPANY, INC.
DOCKET NO. DMEA-2742

AMENDMENT NO. 1

It is agreed this 16th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Decoursey Mountain Mining Company, Inc., each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E540, Docket No. DMEA-2742, dated June 2, 1953, between the parties hereto, be modified and amended as follows:

1. This amendment shall be effective as of November 1, 1953.

2. In Article 3 of the contract form, in lieu of the words "12 months," the words "18 months" are substituted therefor.

3. During the period from November 1, 1953, to May 1, 1954: (a) the project work shall be recessed; (b) the Government shall not contribute to any costs incurred by the Operator; and (c) the Operator shall save the Government harmless from any and all claims, and preserve and protect the project work and any property in which the Government has an interest.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell Jones
Administrator, Defense Minerals Exploration Administration

DECOURSEY MOUNTAIN MINING COMPANY, INC.

By Edward Wood
Pres.
Pres.
Talbert

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

DOCKET No. DMEA 2742

COMMODITY Mercury

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

Docket Copy
IDM-E 540

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 2nd day of June, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] DeCoursey Mountain Mining Company, Incorporated, an Alaska Corporation
P. O. Box 523
Anchorage, Alaska
hereinafter called the "Operator," as follows: and as stated in an agreement dated March 31, 1953, and in Annex I, both attached hereto.
~~hereinafter called the "Operator," as follows:~~

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the ~~State of~~ Territory of Alaska, ~~County~~ 4th Judicial Division, described as follows: [3] The DeCoursey Mountain Mine, located in the Otter Mining and Recording District, consisting of the lode mining claims Snow Bird Nos. 1 to 5, inclusive, and Last Chance Nos. 1 to 3, inclusive. The land is described further in Figure 2, a "Map Showing Lode Mining Claims DeCoursey Mountain Area," and in Annex II attached hereto and made a part hereof.
the Operator represents and undertakes: [4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession and that the property is subject only to the following claims, liens, or encumbrances to each of which the subordination agreement of the holder is attached:~~

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 14 days from the date of this contract shall commence work on a project of exploration for [5] Mercury in or upon the described land; and shall bring the project to completion within a period of 12 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $60,750.00, which is 75 percent of $81,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* ____________

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DeCoursey Mountain Mining Company, Incorporated
(Operator)

By Edward N Dodd

By [signature]
Administrator, Defense Minerals Exploration Administration

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

Ray Wolfe

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
DeCOURSEY MOUNTAIN MINING COMPANY, INCORPORATED
DOCKET NO. DMEA-2742

ANNEX I

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

EXPLORATION PROJECT CONTRACT
DeCOURSEY MOUNTAIN MINING COMPANY, INCORPORATED
DOCKET NO. DMEA-2742

ANNEX II

Land consists of eight lode mining claims recorded in the Commissioner's office at McGrath, Alaska:

Lode Mining Claims	Recorded Date	Book Number	Page Number	Amended Location Date *
Snow Bird No. 1	5-27-29	Vol. 2/9	266	
" " No. 2	5-27-29	Vol. 2/9	287	10-21-43
" " No. 3	5-27-29	Vol. 2/9	287	10-21-43
" " No. 4	5-22-36	Vol. 4-12	311	
" " No. 5	5-22-36	Vol. 4-12	211	
Last Chance No.1				10-21-43
" " No.2				10-21-43
" " No.3				10-21-43

*Amended Locations are recorded in Vol. 4, pages 412 to 414, inclusive.

ANNEX II

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

DeCOURSEY MOUNTAIN MINING COMPANY, INCORPORATED
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2742

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore for mercury ore by means of diamond drilling, drifting and crosscutting from the Lyman Tunnel to locate the extensions of the Tunnel, Retort, and Top Veins Systems from the Lyman Tunnel level.

The work shall be done in two stages. Stage II shall be undertaken only if, in the opinion of the Government, the results of Stage I warrant it, and the Government approves it, in writing, in advance.

An Engineer-Superintendent, approved by the Government, shall direct the exploration project and shall prepare all reports required under the contract. It is contemplated that his time will be allocated equally between this project and the Red Devil Project (Docket No. DMEA-2741).

The depth and diameter of drill holes, the method of all sampling, the method of recovering drill core and sludge, and the method of analyzing samples, are all subject to the approval of the Government.

At the request of the Government, the Operator shall furnish it with such samples as it specifies.

The Operator shall work two 8-hour shifts per day, seven days a week.

Stage I

1. Purchase or rent and transport to job site, the equipment and supplies scheduled for rental or purchase under "Estimated Costs of the Project" in this Exhibit "A".

2. Repair the cookhouse and the compressor building.

3. Construct, or purchase and erect, a 14 foot x 18 foot frame building, combination living quarters and changehouse.

4. Install equipment-compressor, pump, water pipe and air pipe.

5. Clean out and repair the Lyman Tunnel to the extent required to complete the work.

6. Prepare diamond drill stations, and drill not to exceed an aggregate total of 2500 feet of horizontal diamond drill hole at locations shown on the attached map, Exhibit "B", entitled "From Geologic Map of Decoursey Mt. Mine Submitted with Field Team Report, Claim Line Added from U. S. G. S. Map, Oct. 1943."

Stage II

The location, direction, and extent of the work in Stage II shall be agreed upon, in advance, by the Government and the Operator.

1. Drive not to exceed an aggregate total of 300 feet of crosscut and drift, size 5 feet by 7 feet in cross section in the clear of timbers, and prepare diamond drill stations from which to explore for the extensions of the mineralization found in Stage I.

2. Drill not to exceed an aggregate total of 2500 feet of diamond drill hole.

The work in Stage II shall be performed by independent contractor.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

Stage I

None

Stage II

300 feet* of drift or crosscut @ $25/foot*	$7,500.00*	
2500 feet* of diamond drill hole @ $7.00/foot*	17,500.00*	$25,000.00*

The independent contractor shall prepare drill sites and shall furnish all labor, including cook, and all supplies, including diamond drill bits, fuel and lubricants for the equipment, and food for workmen. In addition, the independent contractor shall perform all minor repairs to equipment, facilities and installations.

The Operator will furnish all equipment, including rails with connections, pipe, and spare parts for equipment, and the Operator also shall perform all major repairs to the equipment, facilities and installations.

(2) Labor, Supervision, Consultants

Stage I

2 Diamond drillers @ $3.00/hr. 1/	$4,125.00	
Compressor men-helpers @ $2.50/hr. 2/	3,450.00	
1 cook roustabout @ $600/mo. 5 mos.	3,000.00	

Note: The above workmen will do all the preliminary work required to inaugurate the diamond drill program.

1 Engineer-Superintendent (½ salary, rate of $1,000/mo.) 5 mos.* @ $500*	2,500.00*	$13,075.00

Note: Workmen paid at hourly rates shall receive overtime pay at the rate of time and a half for all time worked in excess of 40 hours per week.

1/ Each Diamond driller will work as a working foreman, supervising the work in progress during his working period.

2/ The compressor men-helpers will operate compressor and do all other work required.

Stage II		
1 Engineer-Superintendent (½ salary, rate of $1,000/mo.) 6 mos.* @ $500*		$3,000.00*
(3) **Operating Materials and Supplies**		
Stage I		
Fuel, oil, lubricants, and grease for compressor, diamond drill, tractor and camp	$1,250.00	
Explosives	200.00	
Diamond drill bits, replacement parts for diamond drill, compressor and tractor	1,000.00	
Small tools, mine lamps and carbide	600.00	
Engineering and office supplies	50.00	
Groceries supplied in excess of charges made for workmens' food	850.00	
1500 feet 1" B I pipe	400.00	
Miscellaneous supplies	100.00	4,450.00
Stage II		
Miscellaneous supplies; replacement parts for compressor, tractor, diamond drill, and jackhammers; rail, air pipe, water pipe, and fittings	1,300.00	
300 feet of mine rail with connections and spikes	500.00	1,800.00

(4) Operating Equipment

To be rented

Stage I

1 International, Model TD-14, tractor w/dozer and power take off winch, 5 mos. @ $800/mo.4/	$4,000.00	
The costs of maintenance, repair, and replacement parts for the tractor are allowable costs of the contract.		
Radio Transmitter and receiver, 5 months	75.00	
Transit, 5 months @ $30/mo.4/	150.00	$4,225.00

Stage II

1 International, Model TD-14, tractor w/dozer and power take off winch, 5 mos. @ $800/mo.4/	4,000.00	
Only the costs of major repair and spare parts for the tractor are allowable costs of the project.		
Radio Transmitter and receiver, 6 months rental	100.00	
Transit, 6 months @ $30/mo.4/	180.00	4,280.00

To be purchased

Stage I

1 Joy diamond drill with 250 feet of drill rods (used)	2,000.00	

4/ The monthly rental payment shall apply toward purchase of this item under a rental-purchase agreement. In the case of the tractor the purchase price is $8,000. In the case of the transit, the purchase price is $330. The Operator shall furnish the Government with copies of the rental-purchase agreements.

1 Diesel compressor, 210 cfm capacity (used)	$5,500.00	
1 High lift pump, powered with gasoline engine	425.00	
Camp equipment, stove, heaters and cooking utensils	450.00	$8,375.00

Stage II

None

To be Furnished by Operator

Stage I and Stage II

Note: Operator will furnish the following supplies and equipment that are now on the property, without charge against the project, except for costs of operation, maintenance and reasonable repairs:

	Value
Approx. 1,000 feet air pipe	$500.00
" 2,000 " mine track	2,000.00
1 mine car	100.00
1 JB4, IR Jackhammer	150.00
Jackleg for above Jackhammer	100.00
1 35# Jackhammer	100.00
Shell and column for Jackhammer	150.00
1 35 cfm gasoline powered compressor, air and water hose for drills, drill steel, and water tank.	600.00

(5) Rehabilitation and Repairs

Stage I

Repairs to cookhouse and to compressor building, including labor, supplies, and materials	$ 500.00*	500.00*

Stage II

None

(6) New buildings, improvements, installations

Stage I

14 foot x 18 foot building for combination living quarters and change house	$3,000.00*	$3,000.00*

Stage II

None

(7) Miscellaneous

Stage I

Payroll taxes and liability insurance	1,870.00	
Air travel of Employees and Engineer-Superintendent to and from project and on project business	2,000.00*5/	
Freight (air, water, and overland)	1,285.00	
Accounting services @ $150/mo.	750.00	
Spare parts and miscellaneous expense	625.00	6,530.00

Stage II

Payroll taxes and liability insurance	400.00	
Air travel of Engineer-Superintendent on project business	1,200.00*	
Freight (air, water, and overland)	100.00	
Accounting Services @ $150/mo.	900.00	
Spare parts and miscellaneous expense	700.00	3,300.00

5/ In the event that Stage II is undertaken, costs of return air travel of employees and Engineer-Superintendent, within the allowable maximum, are allowable under Stage II as though these estimated costs had been scheduled under Stage II.

(8) Contingencies

Stage I	$1,845.00	
Stage II	1,620.00	$3,465.00

* * * * * * * * * * * * * * * * *

Total Estimated Cost Stage I	$42,000.00 *	
Total Estimated Cost Stage II	39,000.00 *	
Total Estimated Cost of Project		$81,000.00 *
Government Participation @ 75%		$60,750.00 *

Docket copy

C O N T R A C T

This agreement, made and entered into this 31st day of March 1953, by and between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and DeCourney Mountain Mining Company, hereinafter referred to as the "Operator", WITNESSETH THAT:

WHEREAS, the Operator has filed with the Government applications for two Exploration Project Contracts under Docket Nos. DMEA-2741 and DMEA-2742, for aid in conducting two exploration projects for mercury in Alaska; and

WHEREAS, in order to conduct said exploration projects during the forthcoming summer it is necessary for the Operator to incur immediate costs for the procurement of certain supplies and equipment, and to ship said supplies and equipment and deliver them at the properties before the spring thaw sets in; and

WHEREAS, the negotiations for said Exploration Project Contracts have not been completed, and they cannot be drafted and executed in time to fill the Operator's requirements above stated;

NOW THEREFORE, it is mutually agreed as follows:

To the extent that costs incurred in advance by the Operator for equipment and supplies refer to items of equipment and supplies that are listed in either Exploration Project Contract that may be entered into under said Docket Nos. DMEA-2741 and DMEA-2742, said costs shall be allowable costs of the particular project to which they relate, to which the Government will contribute its prorata share, the same as if the formal Exploration Project Contract had been made and entered into as of the date of this agreement, in a sum not in excess of $25,000.

Any such advance costs incurred by the Operator shall be at its own risk, and the Government shall be liable for participation therein only if and to the extent that

the parties enter into an Exploration Project Contract under the provisions of DMEA Order-1 and while the authority of the Department of the Interior and Defense Minerals Exploration Administration to enter into such contracts continues.

If and when such Exploration Project Contracts are consummated, this preliminary agreement shall be referred to therein and made a part thereof.

IN WITNESS WHEREOF, the parties above named have made and entered into this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense
Minerals Exploration Administration

DECOURSEY MOUNTAIN MINING COMPANY

By Edward N Dodd pres

By _____

Chandler
Ernest Mc. Ellis
H E Fleming

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the Territory of Alaska, Fourth Division, Recording Precinct of Ketchikan, described as follows:1/

Quitclaim: Lode claims Crowbird, 1, 2, 3, 4 and 5, and Last Chance 1, 2, 3, known as Dolomite Mountain Mine, purchased on Contract dated October 16, 1951, Seller Robert D. Lyman, Buyer De Courcy Mountain Mining Company, Inc., contract recorded in Office of U. S. Commissioner, Ketchikan, Alaska, in Book of Agreements 2/ page 253-254 on Mar. 17, 1953

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

2/ De Courcy Mountain Mining Company, Inc.

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 16th day of March, 1953.

Robert D. Lyman [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the ~~county~~ 4th Judicial Division, State of Territory of Alaska, described in a certain Exploration Project Contract dated _____, 195__, between De Coursey Mountain Mining Co., Inc.,

the Lessee of ~~said~~ Placer - Purchaser of said Lode property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor and Seller of said property under lease and Escrow Contract dated Oct. 16, 1951, _____, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 16th day of October, 1951

Robert A. Lyman

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA ~~2276~~ 2742

Date received 12-6-51

DE COURSEY MOUNTAIN MINING CO., INC.
P.O. BOX 2232
ANCHORAGE, ALASKA

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C. DEC 6 10:20 AM '51

Name and address of applicant

Date Nov. 28, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (a) What are the chief mine, mill, or smelter products? Mercury
   (b) What are the byproducts, if any? None
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry(ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following: Lode, Placer, Retorts & Furnace
   (a) Linear feet of shafts. 73 L.F.
   (b) Linear feet of drifts and crosscuts. 87 L.F.
   (c) Linear feet of tunnels or adits. 590 L.F. See
   (d) Linear feet of other mine openings (explain briefly). / R.I. 4065 U.S. Bureau Mines May 1947

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity. See Exhibit A
3. For each operation listed above supply the following:
   (a) Distance and direction from nearest town and shipping point. 23 Miles N. W. Crooked Creek
   (b) Mining district. Otter Mining and Recording District 4th Judicial Division
   (c) Township, Section, Range. Unsurveyed-158° 30' W. Long. and 62° 4' N. Lat.
   (d) County, State. 4th Judicial Division Territory of Alaska
4. (a) State whether or not property is now in operation, and if in operation, by whom operated. No
   (b) Are you operating this property as:
   - [x] Owner.
   - [x] Lessee.
   - [ ] Contractor.
5. Number of years in production 5 Years Previous owners

   If not in production or operation, estimated date when production will begin July 1, 1952
6. Experience of operators:

   Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who manage the project. Satisfactory Engineer to be selected by Operators & Government.
7. History:
   (a) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation. Low price of Mercury - See Mine Brochure Page. No. 22
   (b) State briefly the known history and production of adjoining and neighboring properties. " " " " "
   (c) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

   See Mine Brochure Page No. 22

16—63792-1

EXHIBIT A - FORM MF-100D

2-E-1. Mine is in area not subject to flooding by either surface or ground water. No pumping problems.

2-2. See Brochure for Ore reserves and Assays.

12-C-2 See Mine Brochure Sheet C.

C-3 Gravel is medium, some loose, some forzen, but not cemented. Boulders of 1' very rare and stumpage will not deter operations.

C-4 Bedrock, soft and uneven.

C-5 Overburden loose silica sandstone, and shale fine texture, not cemented. Average depth of overburden is 8'.

C-6 Only Two Trenches made across Discovery Creek near head they show Placer deposits on Bedrock an average of 10" to 14" deep. (Total Reserves unknown). Retorting Exploration Placer ore revealed .9 lb. of HO per Bedrock foot.

18 Vehicular transportation to the mine must be accomplished over frozen ground by crawler type Tractors; therefore, all of the Equipment purchased will have to be moved furing the winter months in order to start operations in the Spring of 1952 Exploration.

All materials herewith including the Brochure may be made a part of the Exploration Project Contract Loan MF-200 herewith attached.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. OMEA 27422 ~~2276~~

Date received 12-6-51

Participation

De Coursey Mountain Mining Co., Inc.
Box 2232
Anchorage, Alaska

Name and address of applicant

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C. DEC 6 1 00 PM 25 10:20

Date Nov. 28, 1951

FILL IN THIS BLOCK

Date of application Nov. 28, 1951 Estimated cost $325,000.00

Mineral or metal Mercury Percentage of Government participation 75%

Location of mine Otter Mining & Recording District - 4th JudicialDivision, Territory of Alaska. (Unsurveyed) 158° 30' W. Long. and 62° 4' N. Lat.

Date of filing MF-100 DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Corporation

*2. If a partnership, state names and addresses of partners. Mine

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See Brochure Page 3

*4. Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who will manage the project. A-See Mine Brochure Page 4 B-See Exhibit A

*5. Are you the owner or the lessee of the property? Owner of Lode, Lesee of Placer

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. No Claims or Liens--see Exhibit A and Mine Brochure

7. If lessee, attach a copy of the lease and state if it is in good standing. Attached, in Brochure

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. Owner's Subordination Agreement attached.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Exhibit A & See Mine Brochure

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? See Exhibit A attached

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. See Mine Brochure Page 4

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. Mine Brochure See Page 3

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. De Courcy or De Coursey Mine

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. See Form MF-100 and Mine Brochure

*13. State source and quantity of water available for operations and its sufficiency at all seasons. " State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. See Brochure

15. State in detail how the ore could be shipped and how and where milled. See Exhibit A

*16. History: See MF-100 and Mine Brochure

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling	MINE NOT NOW IN PRODUCTION			
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.) See M.F.-100 and Mine Brochure

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. See Exhibit and MF-100

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Mercury

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. See Exhibit C & Brochure

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See Brochure attached.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each See Exhibit B

(*b*) Supervisors, by numbers and positions, with salaries of each. See Mine Brochure

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings. "

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings. See Mine Brochure

(*e*) Cost of items of equipment not now owned by the applicant which must be purchased for operations at a cost of $50 or more each. See Brochure

(*f*) Cost of rental for equipment which the operator proposes to rent. See Brochure

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work. None

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each See Mine Brochure

(*i*) Cost of power, water, utilities, and any other items not provided for above. " " "

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. Budget & Progress Schedule attached.

CERTIFICATION

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

De Coursey Mountain Mining Co., Inc.
(Name of company)

By John L. Williams
(Signature of authorized official)

28 Nov. 1951
(Date)

President
(Title)

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.

*Same as footnote on page 1.

EXHIBIT - B

DECOURSEY MOUNTAIN MINE

RECAPITULATION OF EXPLORATION COST

FOR BOTH PLACER AND LODE DEPOSITS

		PLACER	LODE	TOTAL
1.	Equipment Purchase *	$25,447.00	$46,364.00	$71,811.00
2.	Equipment Rental *	6,000.00	none	6,000.00
3.	Food	7,193.00	14,409.00	21,602.00
4.	Fuel	14,510.00	11,440.00	25,950.00
5.	Expendable Materials	286.00	2,960.00	3,246.00
6.	Contract Services - Public *	5,090.00	6,630.00	11,720.00
7.	Labor - Wages	64,677.00	89,400.00	154,077.00
8.	Camp Rehabilitation *	3,300.00	3,300.00	6,600.00
	PROJECT EXPENDITURE	126,503.00	174,503.00	301,006.00
9.	Wages Expense of Equip. Escalator Allowance Over 2 year period (8%)	10,120.00	13,960.00	24,080.00
	TOTAL DIRECT COSTS OF JOINT EXPLORATION PROJECT	$136,623.00	188,463.00	$325,086.00
10.	Operators Contribution to Exploration Project (Plus use of all existing structures)	34,716.00	44,750.00	79,466.00
	TOTAL COST OF EXPLORATION PROJECT ALL SOURCES	171,339.00	233,213.00	404,552.00
12.	Operators Share of Exploration Costs in addition to Item 10	34,156.00	47,116.00	81,272.00
	DMA LOAN COMMITMENT REQUESTED	$102,467.00	141,347.00	$243,814.00

* Items not included in Lump Sum Estimates herewith

See Cost Breakdown Exhibits

EXHIBIT-G

DECOURSEY MOUNTAIN MINE

TIME SCHEDULE OF PROJECT

1952-53 Budget Requirements

		JOINT PURCHASE	PURCHASE BY OPERATOR	TOTAL	
January					
A. Purchase of Equipment in area		36,905		36,905	
B. Dismantle Bldgs. & Equipment at Flat & Sleetmute for tractor train shipment to mine			9,600.00	9,600	
				46,505	Jan.
February					
A. Winter freighting of Buildings, Mining, and Processing Equipment from Flat (34 miles) to Mine		4,110	2,800	6,900	
B. Buy Tractor train fuel & food to mine	Fuel	16,220		16,220	
	Food	15,900		15,900	
				39,020	Feb.
March, April } Re-erect Buildings, Shop, Plant and Processing Equipment at mine		6,600	11,900	18,500	Mar.
				18,500	Apr.
May	DRAGLINE RENTAL	12,900		12,900	May
June	1,000	18,200		18,200	June
July	1,000	18,200		18,200	July
August	1,000	18,200		18,200	Aug.
September	1,000	18,200		18,200	Sept.
October	1,000	18,200		18,200	Oct.
November	1,000	18,200		18,200	Nov.
December		10,700		10,700	Dec.
January - 1953		10,700		10,700	Jan.
February		10,630		10,630	Feb.
March			9,100		
	By Operator----------		33,400		

From March to February 1953 ITEM M

Airplane hire and special service (see breakdown)	11,720
Food & Fuel	15,211
Equipment	34,906
Expendable Materials	3,246
Sub-Total	65,083
Escalator	24,080
	89,163

NOTE: Add to monthly Totals for Budget - $7,430 - contained in ITEM M.

EXHIBIT A - - FORM MF-103

4. A. See Brochure Page 4.B-Officers & Directors now trying to locate a satisfactory Mining Engineer familiar with Lode and Placer to manage project. Accepted applicants to be approved by D.M.A. Field Team and Operators jointly. Salary $1,000.00 per month and subsistance & transporation.

5. We own the Lode properties and Leasethe Placer.

6. No claims or liens against properties and we owe owner $56,000 balance payable over 9 year period.

7. See Brochure for Photo copies of Escrow Contract, Lease and Owner Subordination Agreement.

8. See Brochure for Financial statement, no Profit & Loss Statement available (new Corporation.)

9. Provided this application is approved, we can furnish up to $90,000 which will pay our share of this project.

10. See Brochure Page 3 (a)
" " Page 2 (b)

15. Cinnabar Ore is to be crushed to minus ½" and Retorted as furnaced at mine, flasks and Processing Equipment made available by Operator. Local Airlines will fly out flasks of Mercury @ 6¢ per lb. to Anchorage where it can go to market via Rail & Boat to Seattle; or it can be shipped boat freight from Crooked Creek to Seattle. See Freight Rates in Brochure.(Alaska)

16. See MF-100 & Mine Brochure.

19. See Exhibit A attached to MF-100 herewith.

22. See Brochure attached.

23. See Exhibit B Attached & Breakdowns in Brochure for a., b., c., d., e., f., h., and i.

24. Project; Progress & Budget Schedule Exhibit C herewith attached.

Territory of Alaska

Office of the Auditor

Juneau

CERTIFICATE OF INCORPORATION

I, NEIL F. MOORE, Auditor of the Territory of Alaska, and custodian of corporation records for said Territory, DO HEREBY CERTIFY that on the 22nd day of October, 1951,

DECOURSEY MOUNTAIN MINING COMPANY, INC.

filed in this office its Articles of Incorporation, as a corporation organized under the laws of the Territory of Alaska, and paid its corporate tax for the calendar year 1951.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at Juneau, the Capital, this 22nd *day of* October, *A. D. 1951.*

Neil F. Moore

Auditor of Alaska.

INCORPORATED UNDER THE LAWS OF

The Territory of Alaska

No. 90

Shares

Decoursey Mountain Mining Co., Inc.

ANCHORAGE, ALASKA

COMMON STOCK

THIS CERTIFIES THAT _____ is the owner of _____ Shares of $1.00 Par Value each of the Capital Stock of

DECOURSEY MOUNTAIN MINING COMPANY, INC., fully paid and non-assessable.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this _____ day of _____ A.D. 19__

DECOURSEY MT. MINING CO. INC. CORPORATE SEAL 1951 TERRITORY OF ALASKA

TREASURER

PRESIDENT

SHARES $1.00 PAR EACH

© GOES 50

CERTIFICATE FOR SHARES OF THE CAPITAL STOCK

Decoursey Mountain Mining Company, Inc.

ANCHORAGE, ALASKA

ISSUED TO

DATED

For Value Received, _____ hereby sell, assign and transfer unto _____ _____ Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____ to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____ 19____

In presence of

_____ _____

NOTICE. THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

EXPERIENCE AND BUSINESS BACKGROUND OF DIRECTORS

1. President - John L. Williams
One year assistant chemist American Brake Shoe & Foundry Co.
Four years University - B.S. degree Chemistry.
Three years U.S.A.F. - Pilot 1st Lt.
Two and half years Research & Development Chemistry - Pilot plant work American Cyanamid Corp.
One year Building, andIndependent Trucking Business.
Presently employed one year Classification Analysis and Wage Administration Organization U.S.A.F., Elmendorf Air Force Base, Anchorage.
Member A.C.S. (American Chemical Society.
Address: Box 206 Spendard, Alaska.

2. Vice President - Joseph C. Fears
Two years University of Maryland,
Entered Army as Private, discharged eleven years later as Captain.
Six months with Wilkinson & Jones, Hanford, Wash. as General Manager Parts Warehouse.
Year and a half in Fountain-Drugs and Restaurant Business - Seattle, Wash. (Owner-Operator)
Year and a half Salesman for Best Foods, Inc., Green Garden Products Co., Heck Specialty Co.
One Year Owner-Operator Wholesale Sandwich Co. - Seattle, Wash.
Presently employed (8 months) Operating Engineer for Haddock Engineers Ltd., Anchorage, Alaska - Address Box 2232, Anchorage, Alaska.

3. Treasurer - William L. Warren
Fourryears Owner of Men's Clothing Store (Owner-Operator)
Two years Distributors for Sinclair Refining Co. (Plant Manager)
Three years - U.S. Army Engineers (Civilian-Procurement).
One year Birch Lytle & Johnson Const. Co. (Asst. Chief Storekeeper)
One year Standard Oil of California (Inventory Specialist, Arabia)
Present Occupation - General Mgr. of Monty's Stores, Inc. Alaska Division.
Address: 132 East Fourth Ave. - Anchorage, Alaska

4. Secretary - Scott E. Thomas
Three years as Transportation Agent, Northwest Airlines, Inc. - Anchorage, Alaska.
Attended University of Minnesota. Instituteof Tech. (Eng.)
During War in the U.S.A.F.
Presently employed as Salesman for K. & L. Distributors of Seattle, Anchorage branch.
Address: Box 2221, Anchorage, Alaska

5. Director - Cornell Allen Sherman
Graduate Gotner College - B.S. in Engineering - C.E. & M.E.
Two years - Maloney Bros., Council Bluffs, Ia. - Engineer
Three years-Boebe & Company - Engineer - 5 years Gateway Sales Co.
Four years owner-operator General Engineering practice in Mississippi.
Eleven years Airport Engineer - State Aeronautics - Lincoln, Nebraska
One year Chief Draftsman Burns & McDonnell Engineering Co. Kansas City. Mo.
One year Chief Engineer F. H. McGraw Const. Co. - One year Const. Area Supt. Metcalfe-Hamilton Bridge Co. Canada & Alaska
Presently employed A. J. Hopper Co. - Engineer - Alaska. Address Box 2232

LUMP SUM ESTIMATED COSTS

OF PLACER EXPLORATION

(All Equipment Furnished)

Stream Bed and Watershed to 500' Elevation on Creek limits adjacent to Lode deposits on basis of float.

This work covers RETURN, DISCOVERY, and MONTANA CREEKS: See Sheet C.

		ESTIMATED COST
1.	Construct dirt dam and install Pumping Unit on RETURN CREEK.	$ 2,120.00
2.	Construct 2.2 Miles of Mine roads to Placer areas.	11,000.00
3.	Clearing & stripping with Dozer trees, brush, and overburden. (Alternate Hydraulic stripping in frozen area).	4,000.00
4.	Driving thaw points where overburden and ore is frozen (estimate - 47 trenches).	14,400.00
5.	Piping and pumping thaw water etc.	4,110.00
6.	A. Dragline trenching to bedrock every 1000' in Placer claims on basis of float.	
	B. Dragline trenching to bedrock every 2000' on Montana Creek.	

			C.Y.	L.F.
1-a Return Creek	18 trenches	300' x 6'	3600	5400
2-a Discover Creek	5 "	210' x 6'	700	900
3-a Montana Creek	13 "	900' x 9'	11700	11700
b " "	11 "	1200' x 9'	13200	13200

Estimated total yardage 29,200 C.Y. plus Sluff or 31,200 L.F. cut 3' x 9' — 55,480.00

7.	Collecting, hauling, sizing, weighing, and retorting Placer samples (30 trenches x 50 samples each).	4,750.00
8.	Surveying and map ing width and depth of paystreaks. Sample numbers and location	950.00
	TOTAL	$ 96,810.00

* In our estimate we have assumed a minimum depth of 2 yds. and a maximum of 3 yds. which appears to be the average from Placer Exploration done recently by the owner.

LUMP SUM ESTIMATED COSTS

OF LODE EXPLORATION

(All Equipment Furnished)

1.	1700 L.F. of Tunnel at 600' Elevation 5½" x 7½" @ $28.00 Per L.F.	$47,600.00
2.	310 L.F. 50° Raise to upper Tunnel @ $23.00 per L.F.	7,130.00
3.	Bull Dozer Surface Trenching and Channel Sampling 6300 L.F. x 12' @ $3.00 per L.F.	18,900.00
4.	Horizontal 7/8" Drill holes at 20' intervals Both sides of Tunnel & Raise	
	A. Tunnel 160 Prospect holes x 24' - 3840 L.F. B. Raise 30 " " x 24' 720 " 4560 L.F. of Prospect Check holes @ $2.00	9,120.00
5.	Horizontal Diamond drill holes & Core at 50' intervals, both sides of Tunnel and Raise	
	A. Tunnel 68 holes x 100' Core ea. @ $3.00 L.F.	20,400.00
	B. Raise 10 holes x 100' Core ea. @ $4.50 L.F.	4,500.00
6.	Mine Roads - 1.9 Miles	9,500.00
7.	Lengthen existing Airfield 700 L.F. x 200'	7,650.00
	TOTAL	$124,800.00

RECAPITULATION OF EXPLORATION COST

FOR BOTH PLACER AND LODE DEPOSITS

		PLACER	LODE	TOTAL
1.	Equipment Purchase *	$25,447.00	$46,364.00	$71,811.00
2.	Equipment Rental *	6,000.00	none	6,000.00
3.	Food	7,193.00	14,409.00	21,602.00
4.	Fuel	14,510.00	11,440.00	25,950.00
5.	Expendable Materials	286.00	2,960.00	3,246.00
6.	Contract Services - Public *	5,090.00	6,630.00	11,720.00
7.	Labor - Wages	64,677.00	89,400.00	154,077.00
8.	Camp Rehabilitation *	3,300.00	3,300.00	6,600.00
	PROJECT EXPENDITURE	126,503.00	174,503.00	301,006.00
9.	Wages Expense of Equip. Escalator Allowance Over 2 year period (8%)	10,120.00	13,960.00	24,080.00
	TOTAL DIRECT COSTS OF JOINT EXPLORATION PROJECT	$136,623.00	188,463.00	$325,086.00
10.	Operators Contribution to Exploration Project (Plus use of all existing structures)	34,716.00	44,750.00	79,466.00
	TOTAL COST OF EXPLORATION PROJECT ALL SOURCES	171,339.00	233,213.00	404,552.00
12.	Operators Share of Exploration Costs in addition to Item 10	34,156.00	47,116.00	81,272.00
	DMA LOAN COMMITMENT REQUESTED	$102,467.00	141,347.00	$243,814.00

* Items not included in Lump Sum Estimates herewith

See Cost Breakdown Exhibits

Sheets -

PLACER EXPLORATION

EQUIPMENT PURCHASE AND RENTAL FROM LOAN

	PURCHASE	RENTAL
1 D8 Caterpillar with Hydraulic Dozer	$14,810.00	
Thaw Points 120	2,190.00	
Pump Motor #671 G.M.C. Diesel	5,165.00	
Pump 12" x 14"	1,170.00	
Rental Lima Dragline 16 months @ $1,000.00)		$6,000.00
Beds and Bedding	2,112.00	
	$25,447.00	$6,000.00

LODE EXPLORATION

PURCHASE OF EQUIPMENT FROM LOAN

D8 Caterpillar with Hydraulic Dozer	$14,200.00
Welder - 300 amps.	1,519.00
3 Air Receiver Tanks	609.00
Track Tools (Set)	349.00
Spikes	67.00
Tie Plates	69.00
Joint Bars	99.00
Bolts	83.00
Rail 24# 14 tons	3,211.00
Trammer	3,440.00
Battery	2,056.00
Diamond Drill (complete)	3,672.00
Mine Cars 4-16 C.F. 18" gauge	1,449.00
Mucking Machine (complete)	3,754.00
Blower	481.00
Vent Tube 1800 l.f.	1,930.00
Radio Transmitter & Receiver	1,135.00
Compressor Diesel 500 c.f.	8,241.00
	$46,364.00

EXPENDABLE MATERIALS TO BE PURCHASED FROM LOAN

PLACER

ITEM	AMOUNT
Food	$7,193.00
Fuel	
Wood 5 Cords	200.00
Diesel 552 Bbls. @ $23.00	12,700.00
Gas 18 Bbls. @ 35.00	610.00
Lube 6-2/3 " @ 90.00	600.00
Grease 800 Lbs. @ 50¢	400.00
First Aid Kits	30.00
Fire Extinguishers	125.00
Air Transportation	2,800.00
Telephone & Telegraph	300.00
Dynamite	110.00
Fuse	10.00
Caps	11.00
Tractor Freight to Mine	1,990.00
Camp Rehabilitation & Maintenance	3,300.00
	$30,379.00

EXPENDABLE MATERIALS TO BE PURCHASED FROM LOAN

LODE

ITEM		AMOUNT
Food		$14,409.00
Fuel		
Wood	45 Cords	1,800.00
Diesel	348 Bbls. @ $23.00	8,000.00
Gas	32 " @ 35.00	1,140.00
Lube	3-1/3 Bbls. @ $90.00	300.00
Grease	400 Lbs. @ 50¢	200.00
First Aid Kits		30.00
Fire Extinguishers		125.00
Air Transportation		3,900.00
Telephone & Telegraph		610.00
Dynamite		1,120.00
Fuse		150.00
Caps		160.00
Tractor Freight to Mine		2,120.00
Jack Bits		390.00
Drill Steel		985.00
Camp Rehabilitation & Maintenance		3,300.00
		$38,739.00

PLACER EXPLORATION

Recapitulation of 24 Week Period

NON-MANUAL ½ Time	Hourly Rate	No. Emply.	Amount	Total Amount
Cook & Baker			$334.75 x 10 mos.	$3,347.50
Bookkeeper, Radioman Warehouse & Commissary			334.75 x 10 "	3,347.50
Flunky			207.00 x 10 "	2,070.00
Engineer			515.00 x 10 "	5,150.00
Mineral Surveyor Flat fee including transporation & subsistence				1,886.00
MANUAL				
Placer Foreman	3.27	1	265.96 x 24 wk.	6,383.04
Dragline Operator	3.27	1	265.96 x 24 "	6,383.04
Dozerman 2 shifts	3.22	2	531.36 x 24 "	12,752.64
Thawman	2.82	1	247.29 x 24 "	5,934.96
Pumpman	2.82	1	247.29 x 24 "	5,934.96
Mechanic & Blacksmith (½ Time)	3.27	1	132.98 x 36 "	4,787.28
Oiler & Electrician (½ Time)	2.87	1	118.46 x 36 "	4,264.56
Laborer - full time	2.77	1	228.68 x 36 "	8,232.48
				$ 70,473.96
Less Board & Room Deduction @ $5.75 per diem				5,796.96
				$64,677.00

14597 Notice of Lode Location

This claim was known as Corona No.2,Notice is hereby given that on the 10th day of May 1936,did relocated and this Claim is to be known as the Snow Bird Lode Mining Claim No. 4. Adjoining the Snow Bird Lode No.1.The general Course of said vein is Northerly and Southerly, said Claim is situated on return Creek a tributary to Iditarod river, Otter recording precinct, Territory of Alaska,Fourth Division,Fourth Division, The boundaries of said Claim are as follows, Commencing at the initial post No. 1. Thence Northerly 1500 feet No.2 Corner. Thence Westerly 600 feet No.3 Corner. Thence Southerly 1500 feet No.4 Corner. Thence Easterly 600 feet No.1 Corner.

Locator.

Harry Brink

Filed for record at request of Harry Brink May 22nd 1936. at 2 P.M.

T.M.Garland Recorder.

This is to Certify that the above is a True and Correct Copy of the Original Record in Vol. 4 of Locations, on file at this office.

Orrin S. Felmley
U. S. Commissioner,
Mc Grath, Alaska

C
O
P
Y

Notice of Lode Location

Notice is hereby given that on the 15th day of March, 1929, the undersigned did discover a Lode or vein of quartz and did locate and stake a claim to be known as the Snow Bird Lode mining claim No. 1. The said claim is marked upon the ground extend fifteen hundred feet along the Snow Bird Lode. The general course of said vein is northerly and southerly. Said claim is situated on Saturn Creek a tributary to Koitarod river, Otter Recording Precinct, Territory of Alaska, Fourth Division.

The boundaries of the said claim are as follows:

Commencing at the initial post No. 1,

Thence northerly 1500 feet to post No. 2, corner,

Thence westerly 600 feet to post No. 3, corner,

Thence southerly 1500 feet to post No. 4, corner,

Thence easterly 600 feet to post No. 1, corner.

Discovered 15th March, 1929.

Located, 15th March, 1929.

Locator.

Harry Brink

No. 15826 Indexed

Quartz Location

on

Saturn Creek.

Filed for Record at Request of Harry Brink at 1:05 P.M., 5/27-1929 Recorded at Page 266 of Volume 2/3 of Loc. in the Recorder's office for Otter Precinct, 4th Div. of Alaska.

D. L. [illegible] Recorder

LODE EXPLORATION

Recapitulation of 36 week Period

MANUAL	Hourly Rate	No. Emply.	AMOUNT	Total Amount
Miners	$3.12	2	$547.20 x 36 wks.	$19,699.20
Muckers	2.82	2	494.58 x 36 "	16,804.88
Timberman	2.77	2	485.82 x 36 "	15,489.52
Trammers	2.77	2	485.82 x 36 "	15,489.52
Dozerman	3.22	1	265.68 x 36 "	9,554.48
Mechanic & Blacksmith	3.27	1	132.98 x 36 "	4,787.28
Oiler & Electrican	2.87	1	118.46 x 36 "	4,264.56
Laborers	2.77	1	228.68 x 36 "	8,232.48
NON-MANUAL ½ Time				
Cook & Baker			334.75 x 10 mos.	3,347.50
Flunky			207.00 x 10 "	2,070.00
Bookkeeper, Radioman Warehouse & Commissary			334.75 x 10 "	3,347.50
Engineer			515.00 x 10 "	5,150.00
			TOTAL LABOR	$108,236.92
Less Board and Room deductions @ $5.75 per diem				18,836.80
			NET	$89,400.12

PLACER EXPLORATION

PLACER EXPLORATION EQUIPMENT TO BE FURNISHED BY THE OPERATOR

Precussion, Prospect Drill, Shoes And Drivepipe	$ 7,800.00
Hydraulic Pipe 3000' 9" to 14"	4,600.00
2 Giants #2	1,006.00
Steel 30" Sluce Box 72 L.F.	970.00
Riffles (Hungarian)	610.00
Water hose for points - 1000 L.F. x 3/4"	920.00
2 Lang Ranges double oven	1,310.00
Kitchen Equipment	640.00
Dining Hall Equipment	1,105.00
1 Denver Jig Hartz Type (with 6 H.P. Wisconsin Motor	1,495.00
1 7" x 11" Fine Jaw Crusher with motor	840.00
Thaw Water Piping	
Pipe 1½" 300 L.F.	305.00
" 1" 1200 L.F.	870.00
Small Tools	
Shovels - Picks	170.00
Wheel barrows	205.00
Axes - Saws - etc.	210.00
2 Tube D Retort in place	3,200.00
Water Piping 700 L.F. Galvanized	700.00
Water Supply Pumps	440.00
Sump Pumps	380.00
Caterpillar, tools, spare parts (new) and others	6,910.00
	$34,686.00

LODE EXPLORATION

EXPLORATION EQUIPMENT FURNISHED BY THE OPERATOR

	EQUIP.	FREIGHT	REPAIR	TOTAL
Sleds & Go Devils	2,900.00	400.00	600.00	$3,900.00
Compressors (2)				
1 - 85 c.f. I.R. Gas				2,200.00
1 - Elec. 160 c.f. Gardner-Denver				3,800.00
1 30 c.f. Compressor for shop				610.00
Platform Scales				121.00
Line oiler for Jackhammers				31.00
Drill Oil				95.00
1 JB 4 Jackhammer drill I.R.				380.00
2-3/4 Stoper R5 I.R.				497.00
1 Threading tool for Jack Bits				147.00
1 Cradle & Shelf Column for J.B. 4				167.00
1 Jack Leg Mounting				93.00
2 Water tanks for Drills				70.00
240' Hex 7/8" drill steel				395.00
Mine Wannigan on wheels				340.00
Lumber 2 FBM				270.00
Nails - all sizes				310.00
Roofing				101.00
Air Pipe 2" - 2000 L.F.				2,000.00
Jack Bits 400 @ 60¢				240.00
Fuse 5 rolls				500.00
Caps 7 Cases				110.00
4 Mine Cars 16 C.F. 18" Gauge				1,448.00
Airhose 1000 L.F. 3/4"				770.00
Electric Power Plant 2 Caterpillar 46-30 Diesels Switchboard Balancing Equipment & Feed Transfer Tanks				14,900.00
2 - 2 ton Yale Hoists				510.00
Carbide - 3 Cans				45.00
1 Machine & Blacksmith Shop (Complete)				10,700.00
				44,750.00

BUILDINGS TO BE FURNISHED BY OPERATOR AT NO COST TO JOINT VENTURE

One Mess House (Log 20' x 40'	$6,000.00
One Meat Casche 8' x 8'	300.00
One Processing Building 20' x 80'	16,000.00
One Electric Shop & Powerhouse Bldg.	12,000.00
Three 20' x 60' One-bedroom houses	12,000.00
One Office and Parts Warehouse 20' x 40'	8,000.00
One Food Storage Warehouse 20' x 80' (Rodent Proof)	16,000.00
One Sanitary facilities & Water system	31,000.00
One Machinery Shed 20' x 60'	6,000.00
One Retort & Lime Building 20' x 60'	6,000.00
	113,300.00

PROCESSING EQUIPMENT TO BE FURNISHED BY OPERATOR AT NO COST TO THE JOINT VENTURE

Four D Retorts capacity 4 tons - 24 hrs.	8,000.00
One Gould Rotary Furnace and Condensing System, including	37,900.00

(a) 36" x 40' shell complete with ride and drive mechanism, seals, hoods, frame, feeder, brick lining and motors for driving kiln and feeder.
(b) Firing equipment, including compressor with receiver and motor, valves, gauges, meters, burners, oil pump and motor.
(c) Dust collecting equipment, including collector and receptacle, connections, exhauster and motor.
(d) Condensing system, including cast iron pipes, hoppers, and returns, settling tanks, recording thermometer, and auxiliaries.
(e) Steel fine ore and burnt ore bins.
(f) Jaw crusher and motor drive.
(g) Conveyor belt complete with motor drive.
(h) Tools and miscellaneous auxiliary equipment.
(i) All spare parts for any of the above listed equipment.

One 3½ Sack Rex Cement Mixer	835.00
Other misc. Parts & Equipment	1,000.00
	$47,735.00

Table 1
SUMMARY OF RESERVES
(Cutoff grade approximately 25 pounds of quicksilver a ton)

	A-vein body	Decoursey vein body	Block A	Block B	Block C	Block D	Body at Retort veins	1/	Top Vein Body	TOTAL
Pounds of quicksilver a ton 2/	24.4	29.1	53.1	31.9	41.6	51.0	27.0	25	27.3	
Length of ore body in feet	105	98	65	35	63	184	113	250	72	
Average width of ore body	3.1	6.1	3.0	3.0	3.7	3.2	3.7	5.5	8.2	
Average known height of ore body	11.5	10.0	20.0	51.0	66.0		13.5		4.0	
Tons of reasonably assured ore 3/			320	450						770
Tons of inferred ore 3/	1400	2400				4500	2000	14000	1800	26100
Flasks of quicksilver from reasonably assured and indicated ore	100	190	220	190	700		170		70	1640
Flasks of silver from inferred ore	450	920				3020	710	4600	650	10350
Number of analyses available for estimating grade of ore body	19	17	13	11	18	46	13		22	
Tons of indicated ore 3/	310	490			1280		470		200	2750

1/ Additional inferred ore is believed to exist beneath the inferred ore of the Top vein and Retort veins and also beneath the surface in the interval separating the south end of the Top-vein body from the north end of the body at the Retort veins. This body of inferred ore extends from the north end of the Top-vein ore body to the south end of the ore body at the Retort veins. It is 250 feet long and averages 5.5 feet wide (determined by weighting the average wides of the ore bodies of the Top vein and Retort veins). Although the upper part of the latter block would be reduced by the amount of the inferred ore separately delimited at the Top and Retort veins, the intervening portion of the block which extends to the surface, about balances such a reduction and the total volume of inferred ore forthe whole block is roughly a body 250 feet by 5.5 feet by 125 feet. The ore is estimated to contain at least 25 pounds of quicksilver a ton.

2/ Quicksilver content based on analyses by Bureau of Mines.

3/ 12 cubic feet of ore a ton.

1/ See note 1, table.
2/ Quicksilver content based on analyses by Bureau of Mines.
3/ 12 Cubic feet of ore a ton.

TABLE 2

SUMMARY OF RESERVE

(Cutoff grade approximately 10 pounds of quicksilver a ton)

	A-Vein Body	DeCoursey Vein Body	Tunnel-vein body BLOCK A	BLOCK B	BLOCK C	BLOCK D	Body at the Retort veins	1/	Top vein body	TOTAL
Pounds of quicksilver a ton 2/	17.0	18.2	53.1	31.9	41.6	51.0	11.1	10	18.7	
Length of ore body in feet	125	315	65	35	63	184	148	310	100	
Average known height of ore body	13.0	35.5	20.0	51.0	66.0		17.5		5.0	
Average width of ore body	4.0	3.9	3.0	3.0	3.7	3.2	11.6	12.9	14.7	
Tons of reasonably assured ore 3/			320	450						770
Tons of indicated ore 3/	540	3630			1280		2500		610	8560
Tons of inferred ore 3/	2600	16100				4500	10600	52000	6100	91900
Flasks of quicksilver from reasonably assured and indicated ore	120	870	220	190	700		360		150	2610
Flasks of quicksilver from inferred ore	580	3850				3020	1550	6800	1500	17300
Number of analyses available for estimating grade of ore body	25	25	13	11	18	46	33		41	

ANALYSES OF SAMPLE, TUNNEL ORE BODY

U. S. BUREAU OF MINES FROM R.I. 4065

Sample	Length Sample, Feet	Pounds H.G. Per ton	H.G. Percent Antimony	Sample	Length Sample, Feet	Pounds Mercury Per ton	Percent Antimony
1....	1.3	620.8	0.73	41....	3.0	35.4	0.59
2....	5.0	0.4		42....	4.5	0.6	
3....	0.8	340.8	0.29	43....	5.5	1.2	
4....	4.5	1.8		44....	1.0	156.0	0.59
5....	5.0	2.4		45....	1.3	89.6	
6....	1.3	615.2	0.20	46....	5.5	1.0	
7....	5.0	2.0		47....	5.5	4.8	
8....	5.0	1.8		48....	1.0	246.4	
9....	1.0	2.2	0.10	49....	1.1	89.0	0.59
10....	5.0	0.4		50....	5.5	4.6	
11....	1.2	53.6		51....	4.0	4.6	
12....	5.0	1.0		52....	1.2	59.0	0.78
13....	5.0	1.2		53....	3.3	0.2	
14....	0.8	1.2		54....	5.0	1.6	
15....	5.0	0.8-		55....	3.2	0.4	
16....	5.0	0.6		56....	7.5	1.0	
17....	5.0	0.8		57....	0.8	100.8	0.25
18....	5.0	1.2		58....	1.7	9.4	
19....	1.3	0.4		59....	1.5	35.6	
20....	5.0	1.2		60....	1.8	67.8	0.16
21....	4.0	1.0		61....	1.0	169.2	0.42
22....	0.8	1.2		62....	5.0	Tr.	
23....	5.0	1.2		63....	5.0	0.6	
24....	5.0	0.8		64....	5.0	0.6	
25....	5.0	2.2		65....	5.0	0.4	
26....	3.5	12.8		66....	5.0	0.4	
27....	1.5	1.8		67....	5.0	0.4	
28....	0.5	136.0	0.59	68....	5.0	0.4	
29....	5.0	4.2		69....	5.0	0.4	
30....	4.5	0.2		70....	5.0	0.4	
31....	2.4	9.8		U-4...	0.6	653.6	0.86
32....	5.0	0.2		U-5...	0.5	412.0	0.09
33....	5.0	0.2		U-6...	1.2	236.0	0.29
34....	1.3	20.6		U-7...	1.2	5.6	Nil
35....	0.5	61.6	0.59	U-8...	1.4	1.0	
36....	5.0	2.0		U-9...	2.2	0.6	
37....	5.0	1.4		U-10..	2.2	109.0	
38....	0.9	375.4		U-11..	2.5	143.6	
39....	5.0	10.2	0.59	U-12..	2.3	5.6	
40....	5.0	1.0		U-13..	2.1	160.8	
				U-14..	3.0	6.8	
				S-1...	0.3	605.6	

' 82 Samples - Average Pounds of Mercury per Ton 69.58 Lbs.

REPORTS ON AND PRODUCTION OF DECOURCY MOUNTAIN MINE
AND ADJACENT PROPERTIES.

U.S. Government Reports

1. February 1943 - R.F.C. Engineer L.C. Doheny Report - all files on his investigation sent to Seattle to be transmitted to Bureau of Mines.
2. War minerals Report No. 223 March 1943.
3. U.S. Geological Survey Report by Weber No. 98775.
4. Bureau of Mines Reports on District R.I. 4065

Decourcy Mountain Production

		Amount
1921	Thrift Mining Co.	Unknown
1924-26	C. F. Lindfors & Johnson	"
1927-28	John & Harry Brink	
May 1942	Robert F. Lyman	
1942	Retorted from surface float	80 flasks
1943	" " 140 ton of high grade ore	400 "
1944	" " 115 " " " " "	320 "
1945	" " 110 " " " " "	
	and float	310 "
1946	Retorted from 130 " " " " "	
	and float	303 "
1947	Retorted from soot & placer samples	72 "
1948	Placer Exploration	
1949	Shut down	
1950	" "	
1951	Optioned August 19, Sold Oct. 16	
	Total known Production	1485 flasks

Red Devil Mine

1943-44	2652 tons furnaced	1090 flasks
1945	1514 " "	962
	Total	2052 flasks

Alice & Bessie Prospect

1923-24		120 flasks
1931		12 "
	Total	132 "

Cinnibar Creek Deposit

3600 Lbs. of selected ore	29 flasks

Rainy Creek Prospect

2000 Lbs. of Placer Shipped to U.S. approximately	20 flasks

TIME SCHEDULE OF PROJECT

1952-53 Budget Requirements

		JOINT PURCHASE	PURCHASE BY OPERATOR	TOTAL	
January					
A. Purchase of Equipment in area		$36,905		36,905	
B. Dismantle Bldgs. & Equipment at Flat & Sleetmute for tractor train shipment to mine			9,600.00	9,600	
				46,505	Jan.
February					
A. Winter freighting of Buildings, Mining, and Processing Equipment from Flat (34 miles) to Mine		4,110	2,800	6,900	
B. Buy Tractor train fuel & food to mine	Fuel	16,220		16,220	
	Food	15,900		15,900	
				39,020	Feb.
March	Re-erect Buildings, Shop,				
April	Plant and Processing Equipment at mine	6,600	11,900	18,500	Mar.
	DRAGLINE RENTAL			18,500	Apr.
May		12,900		12,900	May
June	1,000	18,200		18,200	June
July	1,000	18,200		18,200	July
August	1,000	18,200		18,200	Aug.
September	1,000	18,200		18,200	Sept.
October	1,000	18,200		18,200	Oct.
November	1,000	18,200		18,200	Nov.
December		10,700		10,700	Dec.
January - 1952		10,700		10,700	Jan.
February		10,630		10,630	Feb.
March			9,100		
	By Operator----------		33,400		

From March to February 1952 ITEM M

Airplane hire and special service (see breakdown)	11,720
Food & Fuel	15,211
Equipment	34,906
Expendable Materials	3,246
Sub-Total	65,083
Escalator	24,080
	89,163

NOTE: Add to monthly Totals for Budget - $7,430 - contained in ITEM M.

FREIGHT RATES

ALASKA RIVERS NAVIGATION COMPANY

KISKOKWIM RIVER POINTS IN ALASKA

Basing Rates are shown in dollars per ton of 2,000 pounds. These rates apply on General Merchandise, or items not otherwise provided for in LIST OF EXCEPTIONS, between Bethel and Kuskokwim River points as named below.

Stations not listed will take the rate to next station beyond.

Exceptions to the General Merchandise or Basing Rate are included in Items number 1 to 75.

	BETHEL*	AKIAK	TULUKSAK	KALSKAG	ANIAK	NAPAMUTE	CROOKED CREEK*	SLEETMUTE	STONY RIVER	STERLING LDG.	McGRATH	MEDFRA
BETHEL		$13	$15	$23	$28	$35	$35	35	$40	$45	45	$65
AKIAK	10		10	10	15	22	22	22	30	32	32	52
TULUKSAK	10	10		10	15	20	20	20	25	30	30	50
KALSKAG	15	10	10		10	12	12	12	20	22	22	42
ANIAK	15	10	10	10		10	10	10	20	20	20	40
NAPAMUTE	15	10	10	10	10		10	10	20	20	20	40
CROOKED CREEK	15	10	10	10	10	10		10	10	20	20	40
SLEETMUTE	15	10	10	10	10	10	10		10	20	20	40
STONY RIVER	20	20	20	15	10	10	10	10		20	20	40
STERLING LDG.	20	20	20	15	15	10	10	10	10		15	35
McGRATH	20	20	20	15	15	10	10	10	10	10		20
MEDFRA	30	30	30	25	25	20	20	20	20	20	15	

DOWNSTREAM RATES

UPSTREAM RATES

DE COURSEY MOUNTAIN MINING COMPANY, INC.

Anchorage, Alaska

BALANCE SHEET

November 30, 1951 (1)

ASSETS

	Replacement Value (2)	Cost	
Current Assets			
Cash			$ 234.09
Fixed Assets			
De Coursey Mountain mining property (3 lode claims) subject to contract in escrow per contra		$ 70,000.00	
Lode mining equipment and miscellaneous machinery and equipment	$ 21,000.00	4,300.00	
Placer mining equipment	28,000.00	4,500.00	
Ore processing equipment	33,500.00	6,900.00	
2 electric diesel power plants	10,500.00	2,100.00	
3 buildings and 3 houses (furnished)	35,000.00	7,200.00	
	$122,000.00	95,000.00	95,000.00
Mining Lease			
Lease contract on eight placer claims			1.00
Other Assets			
Promotional expense in connection with incorporation and contracts (3)		$ 4,000.00	
Organization expense - other		560.00	4,560.00
Contingent Assets			
Commitments for cash loans qualified as to approval of $245,000.00 Government Loan under Defense Production Act of 1950	$ 10,000.00		
TOTAL ASSETS			$ 99,795.09

LIABILITIES AND NET WORTH

Current Liabilities			
Contracts payable (escrow) due within one year		$ 6,222.22	
Loans payable to Director and Officer		1,000.00	
Accounts payable - other		149.10	$ 7,371.32
Contracts Payable			
Balance of escrow payments on purchase contract of mining property		56,001.00	
Less: Current portion per above		6,222.22	49,778.78
Contingent Liabilities			
Loan commitments, see Contra	$ 10,000.00		
Total Liabilities			$ 57,150.10
Net Worth			
Capital Stock, common, $1.00 par, authorized 500,000 shares			
Issued and outstanding, 79,010 shares at par value		79,010.00	
Less: Discount on capital stock, 72,000 shares		36,000.00	$3,010.00
Deficit			[illegible]
TOTAL LIABILITIES AND NET WORTH			$ [illegible]

(1) Prepared without audit, giving effect to transactions of incorporation and initial financing.
(2) Estimated replacement value less depreciation.
(3) Miscellaneous services acquired against issue of [illegible] shares of common stock at $[illegible] per share.

LE COURSEY MOUNTAIN MINING COMPANY, INC.

Anchorage, Alaska

STATEMENT OF INITIAL EXPENSES

October 22, 1951 - November 30, 1951

Travel expense	$ 215.91
Office expense	75.00
Mimeograph and photostats	74.10
	$ 365.01

D E E D

THIS INDENTURE, made the 18th of March, 1949, between Harry Brink, the party of the first part, and Robert F. Lyman, the party of the second part;

WITNESSETH: That the said party of the first part, for and in consideration of the terms of the Lease Agreement and Option to Purchase between the party of the first part and the party of the second part, as recorded in the files of the Otter Precinct as of May 16, 1942, instrument number 15496, the fulfillment of the terms of said lease agreement is hereby acknowledged, has granted, sold and forever quitclaimed, and by these presents does grant, sell and forever quitclaim, unto the said party of the second part, and to their heirs and assigns, all the following described real estate, situate in the Otter Recording Precinct, Territory of Alaska, to wit: Eight lode mining claims near the head of Return Creek, a tributary of the Iditarod River, known as:- Snow Bird No. 1, Snow Bird No. 2, Snow Bird No. 3, Snow Bird No. 4, Snow Bird No. 5, Last Chance No. 1, Last Chance No. 2, Last Chance No. 3, together with all and singular the mines, minerals, fixtures, improvements, rights, privileges, and appurtenances thereunto in anywise belonging. To have and to hold the lands, tenements, and hereditaments hereby conveyed unto the said party of the second part his heirs and assigns forever.

IN WITNESS WHEREOF, The said party of the first part has hereunto set his hand and seal the day of the year first written above.

Signed in the presence of:

Charles McBaker

Tom Veich

Harry Brink (Seal)

UNITED STATES OF AMERICA)
:- ss.
TERRITORY OF ALASKA)

This is to certify that on this 18th day of March, 1949 before me, a Notary Public in and for Alaska, duly commissioned and sworn, personally came Harry Brink to me personally known and known to me to be the person described in the foregoing Deed, and he acknowledged to me that he signed and sealed said instrument as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and seal on the day and year first above written.

Wayne Houne
United States Commissioner

LEASE OF PLACER MINING CLAIMS

THIS LEASE, made the 16 day of October, 1951, between ROBERT F. LYMAN, lessor, and DECOURSEY MOUNTAIN MINING COMPANY, INC., a corporation, lessee, WITNESSETH:

That the said lessor, for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the said lessee to be paid, kept and performed, has let, and by these presents does lease and let unto the said lessee, all of the following described placer mining claims, situated in the Otter Mining and Recording District, Fourth Judicial Division, Territory of Alaska, to--wit: "Discovery Claim", "The Helen Claim", "One Below Discovery", "The William Claim", "The Retort Claim", "The Bedrock Claim", "The Outcrop Claim", and "The Dome Claim", together with the appurtenances thereto.

TO HAVE AND TO HOLD unto the said lessee, for the term of ten (10) years from the date hereof, expiring on the 16 day of October, 1961, unless sooner forfeited as determined.

And in consideration of the said lease, the said lessee does covenant and agree with said lessor as follows, to-wit:

1. To enter upon said premises and work the same in a manner necessary and proper to good and economical mining so long as the price of mercury shall justify operations, with due regard to the safety, development, and preservation of the said premises as a workable placer mine.

2. To work and mine said premises as aforesaid, steadily and continuously, beginning with the mining season of 1952, and during the mining seasons thereafter for the term of this lease, and to perform the necessary assessment work annually so as to hold and protect the rights of the lessor in and to the said claims.

3. To allow said lessor and his agents to enter upon and into all parts of said premises for the purpose of inspection.

4. To not assign this lease, or any interest thereof and to not sublet the said premises or any part thereof without the written assent of the lessor, and to not allow any person or persons except the said lessee and his workmen to take or hold possession of said premises, or any part thereof, under any pretence whatever.

KAY & ROBISON
BOX 1179
MASONIC BLDG.
ANCHORAGE, ALASKA

5. To occupy and hold all [illegible]ss or parrallel lodes, dips, spurs, speeders, crevices, or mineral deposits of any kind which may be discovered in working under this lease, as the property of said lessor, with privilege to the lessee of working the same as an appurtenance of the demised premises during the term of this lease.

6. To keep books of account, showing the amount of ores extracted from the said mine, the amount of ore shipped, sold or treated, and the amount of money received from the sale of said ores, or the values extracted therefrom; that from and out of the values obtained from the ores so extracted, and which may be found in or upon said premises, and reduced, treated, sold or shipped, the lessee will pay to the lessor twelve and one-half per cent (12 ½%) of the gross proceeds from the first four claims named above, and six per cent (6%) of the gross proceeds from the last four claims named above, settlement and payment to be made quarterly, and will deliver to said lessor, at the end of the term, twelve and one-half per cent (12 ½%) of the gross proceeds of all ores extracted from the first four claims named above, and six per cent (6%) of the gross proceeds of all ores extracted from the last four claims named above, which have not yet been shipped or sold. A duplicate of all mill, smelter, or retort returns shall be furnished to the lesser, and that said books of account shall be open, at all reasonable times, to the lessor or his representatives.

7. To save and hold the lessor harmless from all liens or claims of workmen or material, and to keep the premises properly posted so as to protect the said mining claims from any liens of workmen and/or material.

8. To deliver up to the lessor the said premises, with appurtenances, in good order and condition and ready for immedaite continued working, on the day of the date of the termination of this lease, or at any time previous upon demand for forfeiture for violation of any of the covenants and agreements herein contained.

And finally, upon the violation by the lessee, or any other person under it, of any of the covenants herein contained, the term of this lease shall, at the option of the lessor, expire and become forfeited to said lessor, and said lessor or his representatives may thereupon, after proper demand, enter upon and take

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MASONIC BLDG.
ANCHORAGE, ALASKA

possession of the premises.

Each and every clause and covenant of this lease, where the context requires it, shall extend to and include the heirs and assigns of the lessor and the executors, administrators and assigns of the lessee.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Signed in the presence of:

Georgia Simmons

Thomas E. Cook

Robert F. Lyman (SEAL)
ROBERT F. LYMAN, Lessor

DECOURSEY MOUNTAIN MINING COMPANY, INC. (SEAL)

By: Wendell P. Kay
Trustee

UNITED STATES OF AMERICA
TERRITORY OF ALASKA } ss:

THIS IS TO CERTIFY that on this 16th day of October, 1951, before me, the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned and sworn as such, came ROBERT F. LYMAN and WENDELL P. KAY, the particular officer, to-wit: Trustee of DECOURSEY MOUNTAIN MINING COMPANY, INC., both known to me and known to be the particular persons who executed the foregoing instrument, and they acknowledged that they signed and sealed the same freely and voluntarily for the uses and purposes therein stated, the said WENDELL P. KAY being thereunto duly authorized by the Board of Directors of said corporation.

WITNESS my Hand and Notarial Seal the day and year last above written.

Georgia Simmons
Notary Public in and for Alaska
My commission expires: 7-5-54

KAY & ROBISON
BOX 1179
MASONIC BLDG.
ANCHORAGE, ALASKA

C
O
P
Y

Bill of Sale

Know all Men by these Presents ; that I John Brink, of Iowa, Iowa, for [illegible] in consideration of [illegible] to me paid, receipt [illegible] all my right, title, and interest, in and to the [illegible] in Indian, [illegible], situated on Batten Creek, in the [illegible] District, Fourth Division of Iowa, and [illegible] Lumber, [illegible] etc; also [illegible] Lindfors and [illegible] recorded in Book [illegible] ; in witness whereof I have set my hand and seal this [illegible] day [illegible] .

Witnesses

. I. KINCAID

ANDREW MCGWIGI

John Brink

No. 1:261 Released

Bill of Sale
from
John Brink
to
Harry Brink.

Filed for Record at Request of Harry Brink, 8/21-1903 at 4:[illegible] . . Recorded at Page 281 of Volume 4, of Deeds, in the Recorder's Office for Outer Precinct, 4th Div. of Iowa.

D. E. BROWN Recorder

15637 AMENDED LOCATION CERTIFICATE

Notice is hereby given that on the 21st day of October, 1943 the undersigned did make an amended location of the Last Chance No. 1 claim situated near Return Creek of the Iditarod watershed in the Otter Recording Precinct of Alaska.

The said claim as amended and marked upon the ground joins the Snow Bird No. 1 claim on the south and the Last Chance No. 3 claim on the east. Commencing at the initial post the lines extend 1500 feet in a northerly direction to post No. 2; thence 600 feet in a westerly direction to post No. 3; thence 1500 feet in a southerly direction to post No. 4; thence 600 feet in an easterly direction to the initial post.

The original location was made in the fall of 1927.

Harry Brink
Locator

Filed for record at the request of Harry Brink on the 15th day of November, 1943 at 2:49 PM:

Margaret M. Lott Recorder

This is to Certify that the above is a True and Correct Copy of the Original Record in Vol. 4 of Locations, on file at this office.

Orrin B. Felmley
U. S. Commissioner,
Mc Grath, Alaska

15640 AMENDED LOCATION NOTICE

Notice is hereby given that on the 21st day of October, 1943 the undersigned did make an amended location of the Last Chance No. 2 claim situated near Return Creek of the Iditarod watershed in the Otter Recording Precinct of Alaska.

The said claim as amended and marked upon the ground joins the Snow Bird No.1 claim on the west and the Last Chance No. 3 claim on the north. Commencing at the initial post the lines extend 1500 feet in a northerly direction to post No. 2; thence 600 feet in a westerly direction to post No. 3; thence 1500 feet in a southerly direction to post No. 4; thence 600 feet in an easterly direction to the initial post.

The oringnal location was made November 14, 1927.

Harry Brink
Locator

Filed for record at the request of Harry Brink on the 15th day of November, 1943 at 2:49 PM.

Margaret M. Lott Recorder

This is to Certify that the above is a True and Correct Copy of the Original Record in Vol. 4 of Locations, on file at this office.

Orrin S. Felmley
U. S. Commissioner
Mc Grath, Alaska

E S C R O W C O N T R A C T

THIS AGREEMENT, made and entered into this 16 day of October, 1951, by and between ROBERT F. LYMAN, party of the first part, hereinafter referred to as the Seller, and DECOURSEY MOUNTAIN MINING COMPANY, INC., a corporation, party of the second part, hereinafter referred to as the Buyer, WITNESSETH:

THAT FOR AND IN CONSIDERATION of the mutual covenants and promises hereinafter contained, it is expressly agreed by and between the parties hereto that the Seller will sell and convey to the Buyer, and the Buyer will purchase of and from the Seller, all those certain lode mining claims in the Territory of Alaska, Fourth Judicial Division, Otter Mining and Recording District, and more particularly described as follows:

"Snowbird", Nos. 1, 2, 3, 4 and 5, and "Last Chance", Nos. 1, 2 and 3.

TOGETHER WITH ALL AND SINGULAR, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

THIS CONTRACT OF PURCHASE AND SALE, is however, subject to the following terms and conditions, to-wit:

1. That the purchase price of said property is in the sum of SEVENTY THOUSAND and NO/100 DOLLARS ($70,000.00), lawful money of the United States of America, payable as follows: The sum of FOURTEEN THOUSAND and NO/100 DOLLARS ($14,000.00), at the time of execution and delivery of this contract, the receipt of which is hereby acknowledged, and the balance to-wit: The sum of FIFTY-SIX THOUSAND and NO/100 DOLLARS ($56,000.00) payable at the rate of SIX THOUSAND TWO HUNDRED TWENTY-TWO and 22/100 DOLLARS ($6,222.22), without interest, first payment of SIX THOUSAND TWO HUNDRED TWENTY-TWO and 22/100 DOLLARS ($6,222.22), without interest on or before the 16 day of October, 1952, and a like sum of SIX THOUSAND TWO HUNDRED TWENTY-TWO and 22/100 DOLLARS ($6,222.22), without interest, on or before the ___ day of October of each subsequent year thereafter until this contract is paid in full. It is mutually understood that the down-payment hereinabove mentioned consists of SEVEN THOUSAND and NO/100 DOLLARS ($7,000.00) in cash, and SEVEN THOUSAND DOLLARS ($7,000.00) value in common stock of the DECOURSEY MOUNTAIN MINING COMPANY, INC., a corporation.

2. And until the said purchase price shall be paid in full by the Buyer, it is expressly agreed that the Buyer shall pay all taxes and assessments which may be levied or may accrue against said property, or any part thereof from the date hereof; to allow no liens or encumbrances of any kind or character whatsoever to attach to said property or any part thereof. The Buyer shall be entitled to possession of the premises above described at the time of execution and delivery of this contract.

3. It is expressly agreed that the Seller shall deposit a copy of this agreement in the CITY BANK OF ANCHORAGE, at Anchorage, Alaska, and will deposit therewith in escrow a good and sufficient deed conveying title to said property to the Buyer free and clear of all encumbrances, with instructions to the said escrow holder to deliver the same to the Buyer upon payment of the full purchase price hereinaobve mentioned and set forth, or upon showing receipts from the Seller for the full amount of said purchase price. Payments under this contract are to be made directly to the Seller.

4. Time is agreed to be the essence of this contract, and in the event that the Buyer shall make any default in any of the payments when due, or to perform any of the covenants herein contained to be kept on its part, the Seller shall be released from all obligations at law or in equity to convey the said property, as well as the Buyer losing all right to and of purchase hereunder; all payments made by the Buyer shall be forfeited to the Seller as

KAY & ROBISON
BOX 1178
MASONIC BLDG.
ANCHORAGE, ALASKA

liquidated damages and in the nature of rent, and not as a penalty, and in such event, the Buyer shall and will immediately vacate the hereinabove described premises, and surrender the same to the Seller on demand; and the Seller shall have the right to re-enter upon and take possession of the said land and premises and every part thereof. In the event that this contract is breached by the Buyer, and suit is instigated to enforce the provisions of this contract, the Buyer shall pay all costs of said suit or action, including a reasonable attorney's fee. The Buyer shall not have the right to sell or assign its interest in this contract without first having received the written consent of the Seller to such assignment.

Each and every clause and condition herein contained shall be binding upon and inure to the benefit of the respective parties hereto, their heirs, legal representatives and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first hereinabove written.

Signed in the presence of:
Georgia Simmons
Florence E. Frank

Robert F. Lyman (SEAL)
ROBERT F. LYMAN, Seller

DECOURSEY MOUNTAIN MINING COMPANY, INC. (SEAL)

By: Wendell P. Kay
Trustee

UNITED STATES OF AMERICA
TERRITORY OF ALASKA } ss:

THIS IS TO CERTIFY that on this 16th day of October, 1951, before me, the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned and sworn as such, came ROBERT F. LYMAN and WENDELL P. KAY, the particular officer, to-wit: Trustee of DECOURSEY MOUNTAIN MINING COMPANY, INC., both known to me and known to be the particular persons who executed the foregoing instrument, and they acknowledged that they signed and sealed the same freely and voluntarily for the uses and purposes therein stated, the said WENDELL P. KAY being thereunto duly authorized by the Board of Directors of said corporation.

WITNESS my Hand and Notarial Seal the day and year last above written.

Georgia Simmons
Notary Public in and for Alaska
My commission expires: 7-5-54

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Code ~~120~~		
2. " ~~110~~		
3. " 225		
4.		
5.		

FROM: W. R. Griswold 5/10

FOR: Check items for action desired

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

REMARKS:

see letter of 5.20.60 to Alaska Mines & Minerals, Inc.

DMEA-2742 (Mercury)
Alaska Mines and Minerals, Inc.
(Formerly DeCoursey Mountain Mining Company, Inc.)

Docket copy

Project Summary Report

By: Stephen P. Holt May 4, 1960

1. DMEA-2742 (Mercury)
Contract No. Idm-E540

Property: DeCoursey Mountain Mine
4th Judicial Division
Alaska

Operator: Alaska Mines and Minerals, Inc., an Alaska corporation
(successor to DeCoursey Mountain Mining Company, Inc.)
P. O. Box 422
Anchorage, Alaska

Operator's Property Rights:

The Operator controls, by the terms of a contract to purchase, dated October 16, 1951, from the owner, Robert F. Lyman, c/o Alaska Mines and Minerals, Inc., Box 422, Anchorage, Alaska, eight unpatented lode mining claims, Snowbird Nos. 1 to 5, and Last Chance Nos. 1, 2, and 3, situated in the Otter Mining and Recording Precinct, 4th Judicial Division, Alaska. Landlord's Subordination Agreement, dated October 16, 1951, and Owner's Consent to Lien, dated March 16, 1953, both signed by the owner, are attached to the contract.

2. Contract: Dated June 2, 1953, on Long Form, MF-200 (Revised Feb. 1952).

Work Authorized:

Stage I

1. Purchase or rent and transport equipment and supplies to site.

2. Repair cookhouse and compressor building.

3. Construct, or purchase and erect, a 14-ft. by 18-ft. frame building for living quarters and change house.

4. Install compressor, pump, water pipe and air pipe.

5. Clean out and repair Lyman tunnel to the extent required to complete work.

6. Prepare diamond drill stations and drill not to exceed an aggregate total of 2,500 feet of horizontal underground drill holes.

2. Contract (continued)

Stage II

The location, direction, and extent of the work in Stage II shall be agreed upon, in advance, by the Government and the Operator.

1. Drive not to exceed an aggregate total of 300 feet of crosscut and drift and prepare diamond drill stations from which to explore for the extension of the mineralization found in Stage I.

2. Drill not to exceed an aggregate total of 2,500 feet of diamond drill holes.

Total Estimated Cost Stage I	$42,000.00
Total Estimated Cost Stage II	39,000.00
Total Estimated Cost of the Project	$81,000.00
Government Participation @ 75%	$60,750.00

Amendments:

No. 1, dated November 16, 1953, extended the period for completion of the work from 12 months to 18 months from the date of the contract, and authorized a recess from November 1, 1953, to May 1, 1954.

Work Completed:

All work authorized above under Stage I was completed. The Operator drilled 2,620 feet of diamond drill holes, whereas 2,500 feet was authorized by the contract. No work under Stage II was requested by the Operator, or authorized by the Field Team.

Accepted cost of Stage I, and the contract, was $42,000.00, and the Government's contribution at 75% was $31,500.00.

Work under the project started March 31, 1953, and was stopped October 31, 1954. A mutual termination agreement, dated May 24, 1957, terminated the contract, effective November 1, 1954.

Reports:

The final report of the Field Team, dated October 1958, was received November 3, 1958. A Supplement to the final Field Team report, submitted October 6, 1959, consisted of drill logs and assays not previously

Reports (continued):

available. The Operator's undated final report was received in the office of the Field Team February 12, 1959, and in this office February 27, 1959.

3. Report of Review in lieu of final audit, dated February 27, 1959, showed:

Total cost billed by Operator	$58,334.03
Exceptions	16,334.03
Acceptable cost	$42,000.00
Government contribution	$31,500.00

4. Certification:

A pseudo-certification clause was included in the Termination Agreement, dated May 24, 1957.

5. Comments:

Work completed under the contract was done to the satisfaction of the Government. Operator's final engineering and geological report was considered acceptable by the Government.

The purpose of the project was to explore for extensions of mercury-bearing veins and blind ore bodies in a shale-graywacke sequence that has been cut by diabase dikes and sills. Exploration was done by diamond drilling horizontal holes from the Lyman (adit) tunnel. If the results of Stage I work were satisfactory, it was to be followed by Stage II crosscutting, drifting, and diamond drilling. Under the contract 2,620 feet of Stage I drilling was reported by the Operator as completed, although only 2,500 feet of drilling was authorized under that stage. Stage II was never started, after the Operator refused to sign a proposed amendment which would have authorized a long suspension of the work and an extension of the completion date.

No mercury has been produced from the property during or since the period of the contract.

The project was successful in finding the downward extensions of some ore shoots exposed in surface trenches. Although sufficient mineralization was encountered in diamond drill holes to warrant a certification of discovery, the Government's right to a percentage royalty on production is preserved in Article 5 of the Termination Agreement.

5. Comments (continued):

Government participation in further exploration of this deposit is warranted. Should the present Operator apply for additional exploration aid on this property, some assurrance should be had that it will prosecute the work diligently and will comply with all the provisions of the contract. A contract, if granted, should be on the unit cost basis.

Stephen P. Holt

Stephen P. Holt

SPHolt/gla
cc to: Director's Reading File
Frank E. Johnson
Docket
Mr. Holt
Chron

A Form 17
. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator Alaska Mines and Minerals, Inc. (Successor to De Coursey Mountain Mining Co.,Inc.)		Actual Cost	X
State		Agreed Unit Cost	
Final Report of Audit		Commodity	Docket No. DMEA 2742
Final Report of Review	X	Mercury	Contract No. Idm-E540

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
	Feet	$	Feet	$	$
Drifting & Crosscutting	300	10,416.00	0	0	0
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond core	5,000	50,204.00	2,500	39,161.63	39,161.63
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		8,375.00		8,653.00	8,653.00
" " Rental		8,505.00		0.00	0.00
Surface Rehabilitation & Repairs		500.00		0.00	0.00
Underground Rehabilitation					
New Building, Improvements, etc.		3,000.00		472.40	472.40
Other (Specify)					
Totals		81,000.00		48,287.03 - 6,287.03 42,000.00	*48,287.03 - 6,287.03 1/ 42,000.00

* Net cost total must agree with final report of audit or review.

1/ Disallowed by audit, as in excess of the maximum total authorized for Stage I. (no work performed under Stage II)

Prepared by Stephen P. Holt Date 5.6.60
Stephen P. Holt

31398

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/11	Murphy	500
	Murphy	500
7/11	Talbert	800
	Selfridge	120
7/11	Johnson	110
2	Fumich	100
		220

JUL 1 1 1963

Alaska Mines and Minerals, Inc.
P. O. Box 422
Anchorage, Alaska

Re: DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-2540

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and of the Termination Agreement (Item 5), all minerals mined or produced from June 2, 1953, to June 2, 1963, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/mm
7/10/63
cc: Director's Reading File
CA&A Division
Region I (2) w/copy of Form 63 dated June 20
Docket
Code 500
~~XXXXXX~~ Robert Lyman, Red Devil, Alaska

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/11	Murphy	500
	Dubroff	500
7/11	Tolbert	800
	Selfridge	120
7/11	[illegible]	110
"	Gurney	100
		220

JUL 11 1963

Mr. Robert F. Lyman
General Manager and Vice President
Alaska Mines and Minerals, Inc.
Red Devil, Alaska

Re: DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-E540

Dear Mr. Lyman:

Thank you for completing and returning the MME Form 63's which were mailed June 20, 1963, to your corporation.

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Landlord's Subordination Agreement and the Owner's Consent to Lien signed by you on October 16, 1951, and March 16, 1953, respectively, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

FMMurphy/mm
7/10/63
cc: Director's Reading File
Region I (2)
Docket
Code 500

43683

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

6/20/63

Re: DMEA-2742 (Mercury)
DeCoursey Mountain
Mining Co., Inc.
DeCoursey Mountain Mine
Kuskokwim District
Fourth Judicial Division,
Alaska

AIRMAIL

Alaska Mines and Minerals, Inc.
P. O. Box 422
Anchorage, Alaska

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 8 1963

DATE	INITIALS	CODE
7/8		800
7/8		100
7/8		110
	Received	300
	Murphy	500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From January 1, 1962, to June 2, 1963

1. ~~Since~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

From January 1, 1962, to June 2, 1963

2. ~~Since~~ , has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and 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		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Robert F. Lyman Title General Manager & Vice President Alaska Mines & Minerals, Inc.

Address Red Devil, Alaska Date July 1, 1963

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/17	Talbert	800
6/17	Murphy	500
6/17	Collins	120
"	Johnson	110
"	Fumich	100
		220

JUN 17 1963

McDonald, Nicholson & Co.
55 York Street
Toronto 1, Ontario
Canada

Re: DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-E540

Gentlemen:

The information requested by your June 12 letter regarding advances and repayments under the referenced contract follows:

Contributions by the U. S. Government	$31,500.00
Repayments by royalty	-0-
Balance repayable by royalty	$31,500.00

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 6-17-63

cc:
Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region I (w/cy of inc. ltr.)

43683

McDONALD, NICHOLSON & CO.

ROBERT R. McDONALD, C.A.
THOMAS A. RICHARDSON, C.A.
MARSDEN D. KIRK, C.A.

CHARTERED ACCOUNTANTS

55 YORK STREET
TORONTO 1
ONTARIO

CABLE ADDRESS "EMENCO"
TELEPHONE EMPIRE 4-1327

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 17 1963

DATE	INITIALS	CODE
		800

12th June, 1963.

United States Department of the Interior,
Office of Minerals Exploration,
WASHINGTON 25, D.C.

Gentlemen:

Re: Docket No. D.M.E.A. 2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
Red Devil Mine, Sleitmute, Alaska
Contract No. Idm E540

We are performing an audit of the books of Alaska Mines and Minerals Incorporated (formerly DeCoursey Mountain Mining Co. Inc.) as at 31st May, 1963, and would ask you to confirm to us the total advances made to the above company and the total repayments made by the company, if any.

Yours early attention to this request would be greatly appreciated.

Yours very truly,

McDonald, Nicholson & Co.

TAR/ds

Request Authorized:
ALASKA MINES AND MINERALS INCORPORATED

H. A. Record
Secretary-Treasurer

No. 157 Howard Street
Spokane 4, Washington
January 22, 1963

1/24 Vay 800
+20
Granted 500
1.25 Halt 500
220

Mr. J. A. Herdlick, Chief
Alaska Office of Mineral Resources, Region I
U. S. Bureau of Mines
P. O. Box 2688
Juneau, Alaska

Re: DMEA-2559 (Antimony)
Earl R. Pilgrim
Stampede Antimony Mine
Kantishna Mining District, Alaska
Contract Idm-2589
and
DMEA-2742 (Mercury)
DeCourcey Mountain Mining Co., Inc.
DeCourcey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-2540

Dear Jerry:

Thanks for Lyman's December narrative. He has indeed been plagued with unforeseeable trouble, which probably explains why he has not yet submitted any voucher.

ME-6271

By the way, early last spring or summer Jessen's Weekly reported that Earl Pilgrim, Stampede Antimony Mine, was planning to ship 200 tons of high grade antimony to Japan during last summer. However, on December 10, 1962, Pilgrim returned a form request for information in which he specifically indicated that no production, stockpiling, or shipment had been made since June 1, 1958. I certainly have no reason to doubt the man, as I have never met him or been in on any DMEA dealings with him, but I thought that for the record I should ask you if you have any information regarding a possible shipment.

Also, the royalty period for DeCourcey Mountain Mining Company, DMEA-2742, will expire June 2, 1963. Do you know if there has been any ore produced or shipped from this property since November 1, 1954? This is the date the contract work was terminated.

It was a pleasure talking to you during the Northwest Mining Association meetings, and I hope you had a good vacation.

Sincerely yours,

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

DRMacLaren:my
cc: OME(4); CFF
Reading copies to:
Nelson, McElvey

South 157 Howard Street
Spokane 4, Washington

December 28, 1962

Memorandum

To : Chief, Fiscal Section, Division of Administrative Services
Office of the Secretary, Washington 25, D. C.

From : Acting Field Officer, Region I

Subject: DMSA-2742 (Mercury)
DeCourcey Mountain Mining Co., Inc.
DeCourcey Mountain mine
Kuskokwim Precinct
Fourth Judicial Division, Alaska

There is enclosed a Report of Royalty Review dated December 19, 1962, covering the subject contract for the period September 9, 1959, through December 1961.

One copy of the report has been retained for the regional office files. The report is for record purposes only, and no copy is provided for the Operator.

D. R. MacLaren

Enclosure

cc: OMS
CA&A Div.
CPF

Reading copies to:
Nolan
McKelvey

DRMacLaren/rrc

OFFICIAL FILE COPY
O. M. S.
RECEIVED JAN 2 1963
DATE
500
500
49
220

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

December 20, 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: BMRA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
Kuskokwim Precinct
Fourth Judicial Division, Alaska

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 12-19-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Talbert	800
"	Holt	500
	Mounsel	500
		120
6/8	[illegible]	100
		220

JUN 8 1962

McDonald, Nicholson & Co.
55 York Street
Toronto 1, Ontario
Canada

Re: DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-E540

Gentlemen:

The information requested by your June 5 letter regarding advances and repayments under the referenced contract follows:

Contributions by the U. S. Government	$31,500.00
Repayments by royalty	-0-
Balance repayable by royalty	$31,500.00

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 6-8-62

cc:
Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

43683

McDONALD, NICHOLSON & CO.

ROBERT R. McDONALD, C.A.
THOMAS A. RICHARDSON, C.A.
MARSDEN D. KIRK, C.A.

CHARTERED ACCOUNTANTS

55 YORK STREET
TORONTO 1
ONTARIO

CABLE ADDRESS "EMENCO"
TELEPHONE EMPIRE 4-1327

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 7 1962

DATE	INITIALS	CODE
6/8	[illegible]	800
		500

5th June, 1962.

United States Department of the Interior,
Office of Minerals Exploration,
WASHINGTON 25, D.C.

Re: Docket No. D.M.E.A. 2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
Red Devil Mine, Sleitmute, Alaska
Contract No. Idm E540

Gentlemen:

We are performing an audit of the books of Alaska Mines and Minerals Incorporated (formerly DeCoursey Mountain Mining Co. Inc.) as at 31st May, 1962, and would ask you to confirm to us the total advances made to the above company and the total repayments made by the company, if any.

Your early attention to this request would be greatly appreciated.

Yours very truly,

McDonald, Nicholson & Co.

TAR:jn

Request Authorized:

ALASKA MINES AND MINERALS INCORPORATED

H. M. Heard
Secretary-Treasurer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

ALASKA OFFICE OF
MINERAL RESOURCES

P. O. BOX 2600
JUNEAU, ALASKA

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 5 1962

DATE		
2/5		800
2/8		500
		120
		210

January 30, 1962

Mr. D. K. MacLaren
Acting Field Officer
Office of Minerals Exploration, Region I
South 157 Howard Street
Spokane 4, Washington

Dear Mac:

Bob Thorne checked with the State offices concerned and came up with the following information on the mines listed in your letter of January 23rd. We have no official record of production during 1961 from any of the properties listed and have heard of no significant developments other than those noted.

Operator	Mine	Production
DeCoursey Mountain Mining Co. Alaskan Mines and Minerals Co. owned by Decoursey-Brewis Minerals, see Dec. 1961 issue, "Mining Engineering," p. 1337, company owns both Red Devil Mine and DeCoursey Mountain Mine.	DeCoursey Mountain	None
Earl R. Pilgrim Earl R. Pilgrim and Co. P. O. Box 1896, Fairbanks, Alaska, still owner and operator--presently rebuilding mill.	Stampede Antimony (R. Expires Aug 25, 1963)	None
Tillicum Mining Co. George Roberts, President, 1940 Second Ave., Ketchikan, Alaska.	Casamano Point Assessment done 1961. (R. Expires Sept. 16, 1962)	None
U.S. Tin Corp. Lenhart J. Grothe of Red Devil, Alaska purchased the Lost River Mine at a GSA sale August 9, 1960. Title transferred in October or November 1960.	Lost River (R. Expires Aug. 25, 1965)	None

Mr. Hoet 2742

Mr. Murphy 2559

Mr. Murphy 2562

Mr. Murphy 2278

Operator	Mine	Production
Zenda Gold Mining Co. ✓ See page 7, Bureau of Mines Information Circular 7878. Present owners Ralph Lomen and H. G. Gabrielson. Patent has been applied for on the claims. Present state of patents not known.	Cape Mountain (R. Expires Aug 26, 1964)	None
Wren, Waskey, and Wolfe) ✓ Moneta Porcupine) Wren recorded the assessment work on these claims for 1960. No. assessment work has been recorded for 1961.	Red Top	None
Alaska Metals ✓ Alaska Metals, Box 965, Fairbanks, Alaska, Mr. Anderson, Vice-President of the Company recorded assessment work in 1961.	Gilmore Dome	None
MacLaren River Copper Corp. ✓ (Leased by Tom Slick, Transworld Resources Corp.	Kathleen Margaret	None

Mr. Murphy 842

Mr. Hoet 2562

Mr. Hoet 3288

Mr. Hoet 4738

Best regards.

Sincerely yours,

J. A. Herdlick
Chief, Alaska Office of
Mineral Resources, Region I

Use FHT air mail

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/19	Talbert	800
6/19	Holt	500
	Brauned	500
		120
6/19	Selfridge	
"	Johnson	
6/19	gsd	

JUN 1 9 1961

McDonald, Nicholson & Co.
55 York Street
Toronto 1, Ontario, Canada

Re: DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-E540
and
DMEA-2741 (Mercury)
Alaska Mines and Minerals, Inc.
Red Devil Mine
Sleetmute, Alaska
Amended Contract Idm-E539

Gentlemen:

By letter dated June 1, 1961, you request information as to contributions and repayments under the referenced exploration project contracts. The status of these accounts has not changed since our letter of June 15, 1960, in reply to your inquiry of May 27, 1960.

Under contract Idm-E539, DMEA-2741, Red Devil Mine, the United States Government contributed an aggregate of $152,742.30 toward the exploration costs. The entire amount has been repaid and the Government's records have been closed.

Under contract Idm-E540, DMEA-2742, DeCoursey Mine, the United States Government contributed an aggregate of $31,500.00 toward the exploration costs. None of this amount has been repaid. By the terms of the contract and the termination agreement, all minerals mined or produced from the property under the contract are subject to the Government's percentage royalty as set forth in the contract until June 2, 1963, or until the sum of $31,500.00 has been repaid, whichever occurs first.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/cac
June 16, 1961

Copy to: Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

43683

McDONALD, NICHOLSON & CO.

CHARTERED ACCOUNTANTS

ROBERT R. McDONALD, C.A.
THOMAS A. RICHARDSON, C.A.
MARSDEN D. KIRK, C.A.

55 YORK STREET
TORONTO 1
ONTARIO

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 12 1961

DATE	INITIALS	
CABLE ADDRESS EMENCO TELEPHONE EMPIRE 4-1327		
6/12	gad	500
6/19	[illegible]	800
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		500

1st June, 1961.

United States Department of the Interior,
Office of Minerals Exploration,
WASHINGTON 25, D.C.

Re: Docket No. D.M.E.A. ~~2471~~ 2741 (Mercury)
De Coursey Mountain Mining Co., Inc.
Red Devil Mine, Sleitmute, Alaska
Amended Contract No. Idm E539

Gentlemen:

We are performing an audit of the books of Alaska Mines and Minerals Incorporated (formerly DeCoursey Mountain Mining Co. Inc.) as at 31st May, 1961, and would ask you to confirm to us the total advances made to the above company and the total payments made by the company, distinguishing between advances on the DeCoursey property and the Red Devil property.

Your early attention to this request would be greatly appreciated.

Yours very truly,

McDonald, Nicholson & Co.

MDK/jn

Request authorized:

ALASKA MINES AND MINERALS INCORPORATED

M. N. Beard

Secretary-Treasurer

Mel(2)

OFFICIAL FILE COPY
O. M. E
RECEIVED APR. 4 1961

DATE	INITIALS	
4-4	gad	VVO
4/4	[illegible]	800
"	[illegible] SPH	500
		220

No. 157 Howard Street
Spokane 4, Washington
March 31, 1961

Mr. C. L. Steinbury
Base & Precious Metals Branch
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California

Re: DMMA-2742 (Mercury)
Alaska Mines & Minerals, Inc.
DeCourcey Mountain Mine
4th Judicial Division, Alaska
Contract IDa-3740

Dear Pete:

The field season will soon be upon us. Although I am in no immediate need for the DeCourcey map showing the drill holes, please return it before you leave for the field.

No one knows what the future of OME will be, and if I should be asked to turn their files over to someone else after June 30, it would be embarrassing if I could not get hold of you.

Sincerely yours,

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

cc: DME(2)
Director
Econ. Geol.
MAFM

One (1)

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 12 1961

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So. 157 Howard Street
Spokane 4, Washington
January 9, 1961

Mr. C. L. Sainsbury
Base & Ferrous Metals Branch
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California

Re: DMEA-2742 (Mercury)
Alaska Mines & Minerals, Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract IMA-2540

Dear Pete:

When the Field Team final report on the DeCoursey Mountain project was prepared, only the logs and a few sample assays of the holes drilled from stations 12 through 16 were available in the Survey and Bureau files. The Bureau files, incidentally, were all sent to Spokane from Juneau.

Since our report was prepared, we received a very brief report from Gordon Herreid along with the logs and assays of holes drilled from stations 7 through 16. I am enclosing a Thermofax copy of Herreid's report, logs, and his map as well as another map with some drift assays. You may keep the Thermofax copies and the map with the drift assays, but please return the map showing the drill holes when it has served its purpose, as that belongs in the DMEA files.

I gather from your letter that this is the formation you wish, but I will be happy to send you the complete file if you so desire.

Sincerely yours,

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

Enclosures as indicated
cc: OME(2) w/cys incoming
Director
Econ. Geol.
B&FM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
GEOLOGIC DIVISION
345 MIDDLEFIELD ROAD
MENLO PARK, CALIFORNIA
DAVENPORT 5-6761

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 12 1961

DATE	INITIALS

Base E Rept.

Mne (2)

December 30, 1960

Donald MacLaren
Office of Minerals Exploration
U. S. Geological Survey
So. 157 Howard St.
Spokane, Washington

Dear Don:

I don't know if you are aware or not that Ed MacKevett and I have submitted our bulletin titled "Quicksilver deposits of southwestern Alaska". Anyway, we are attempting to bring up to date the information on the deposits through our mapping and through the DMEA literature.

I find that we have a short summation of the DeCourcy mine which doesn't do justice to the deposit. Our glaring omission is the lack of information and data based upon the DMEA work. The omission is due entirely to the complete lack of information in the DMEA file that Ed MacKevett has. I had hoped to use the map in the DMEA final report, and add assay data and geology from drill logs, to show significant new developments as a result of the DMEA work. However, I find practically no drill logs or assay data.

Would it be possible for you to determine what is available in your DMEA file on this mine (Contract IDM-E540), and let me know if you have more dope than we do. Perhaps we could borrow your file for a week or two if you think that it contains enough dope to allow us to accomplish what we wish to do.

If your file is incomplete, would it be in order for you to request the U.S.B.M. in Juneau to loan you their file? I am certain that they will have assay results of holes 7-1 through 11-2, which are lacking entirely. It is also possible that they may have the drill hole logs prepared by Gordon Herreid, of the DeCourcy Mountain Mining Co. Ed MacKevett says that he remembers that Gordon logged all the drill core in the summer of 1958, presumably for inclusion in a long-overdue final report of the operator. This may be in your file or in the Bureau of Mines file in Juneau.

We'd appreciate any help you can give us on this.

Sincerely yours,

C. L. Sainsbury

cc: Director's reading file
Asst. CG reading file
Sainsbury
MP reading file
B & F Branch

CLS/sm

MME Form 7
(10-58)

file 2742
OFFICIAL FILE COPY

Date	Surname	Code
6/14	Talbert	800
6/14	[illegible]	500
	[illegible]	500
6/15	GCS	120
6/15	gad	220

McDonald, Nicholson & Co.
55 York Street
Toronto 1, Ontario, Canada

JUN 15 1960

Re: DMEA-2741 (Mercury)
Alaska Mines and Minerals, Inc.
Red Devil Mine
Sleetmute, Alaska
Amended Contract Idm-8539
and
DMEA-2742 (Mercury)
Alaska Mines and Minerals, Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract Idm-8540

Gentlemen:

Your May 27 letter to the Certifying Officer, OME Field Team, Region I, Spokane, Washington, has been referred to this office for reply.

Under contract Idm-8539, DMEA-2741, Red Devil Mine, the United States Government contributed an aggregate of $152,742.30 towards the exploration costs. The entire amount has been repaid and the Government's records have been closed.

Under contract Idm-8540, DMEA-2742, DeCoursey Mine, the United States Government contributed an aggregate of $31,500.00 towards the exploration costs. None of this amount has been repaid. By the terms of the contract and the termination agreement, all minerals mined or produced from the property under the contract are subject to the Government's percentage royalty as set forth in the contract until June 2, 1963, or until the sum of $31,500.00 has been repaid, whichever occurs first.

Sincerely yours,

George C. Selfridge

Acting Director

EDTalbert/ama
June 14, 1960

Copy to: Docket - DMEA-2742
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

43683

So. 157 Howard Street
Spokane 4, Washington
June 10, 1960

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region I

Subject: DMEA-2741 (Mercury)
Alaska Mines and Minerals, Inc.
(formerly DeCoursey Mountain
Mining Co., Inc.)
Red Devil Mine, Sleitmute, Alaska
Amended Contract Idm-E539

and

DMEA-2742 (Mercury)
DeCoursey Mountain Mine
4th Judicial Division (formerly
Territory of Alaska)
Contract Idm-E540

Enclosed are three copies of a letter dated May 27 from McDonald, Nicholson & Co., chartered accountants, Toronto, Canada, who are performing an audit of the books of Alaska Mines and Minerals, Inc. (formerly DeCoursey Mountain Mining Co., Inc.) on the above-referenced contracts. Also enclosed are three copies of our reply.

D. R. MacLaren

Enclosures

cc: DRF

Official 2742

~~EXTRA COPY~~

O. M. E

RECEIVED JUN 13 1960

DATE	INITIALS	CODE
6/14	SPH	500

So. 157 Howard Street
Spokane 4, Washington
June 10, 1960

Air Mail

McDonald, Nicholson & Co.
55 York Street
Toronto 1, Ontario

Re: Docket No. DMEA 2741 (Mercury)
Alaska Mines and Minerals, Inc.
(formerly DeCourcey Mountain
Mining Co., Inc.)
Red Devil Mine, Sleitmute, Alaska
Amended Contract No. Idm E539

and

Docket No. DMEA 2742 (Mercury)
DeCourcey Mountain Mine
4th Judicial Division (formerly
Territory of Alaska)
Contract No. Idm E540

Gentlemen:

Mrs. Dorothy Long, former Certifying Officer, Region I, has referred your letter of May 27 to this office for reply.

Effective March 1, 1960, all fiscal matters are being taken care of by our Washington office and Mrs Long shipped all these files to that office. We are forwarding copies of your letter to them for reply.

Sincerely yours,

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

cc: OME(5) w cys incoming
and our reply
DAF

C O P Y

Official 2742

~~EXTRA~~ COPY
O. M. E.
RECEIVED JUN 13 1960

DATE	INITIALS	CODE
6/14	SPH	500

McDONALD, NICHOLSON & CO.

CHARTERED ACCOUNTANTS

55 York Street

TORONTO 1
Ontario

27th May, 1960

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

Re: Docket No. D.M.E.A. 2471 (Mercury)
DeCoursey Mountain Mining Co., Inc.
Red Devil Mine, Sleitmute, Alaska
Amended Contract No. Idm-E539

Dear Mrs. Long:

We are performing an audit of the books of Alaska Mines and Minerals Incorporated (formerly DeCoursey Mountain Mining Co. Inc.) as at 31st May, 1960, and would ask you to confirm to us the total advances made to the above company and the total payments made by the company, distinguishing between advances on the DeCoursey property and the Red Devil property.

Your early attention to this request would be greatly appreciated.

Yours very truly,

/s/ McDONALD NICHOLSON & CO.

TAR/ng

Request authorized:

ALASKA MINES AND MINERALS INCORPORATED

/s/ H. R. HEARD
Secretary Treasurer

MME Form 7
(10-58) SOLICITOR

OFFICIAL FILE COPY

Date	Surname	Code
5/16	Holt	500
	Aurand	500
5/19	J. Lynd	140
	Selfridge	140
	App'd. Sol. Off.	
5/18	Talbut	800
5/19	Selfridge	120
		110
5-20	gad	220
		225

MAY 16 1960

MAY 20 1960

INTERIOR DEPT.

Mr. Robert F. Lyman
c/o Alaska Mines and Minerals, Inc.
Box 422
Anchorage, Alaska

RECEIVED
MAY 17 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

Re: DMEA-2742 (Mercury)
Alaska Mines and Minerals, Inc.
De Coursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Lyman:

Enclosed is a letter of today to the Operator setting forth its obligations under the terms of the above-cited contract.

This correspondence relates to the Landlord's Subordination Agreement signed by you on October 16, 1951, and the Owner's Consent to Lien signed by you on March 16, 1953, under the DMEA program. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreements signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George G. Selfridge

Acting Director

Enclosure

SPHolt/gla
5-16-60
cc to: Director's Reading File
Region I (2)
Docket
Code 500
Chron

43683

MME Form 7
(10-58)

RECEIVED

MAY 17 1960

ASSOC. SOLICITOR
MINERAL RESOURCES

MAY 20 1960

OFFICIAL FILE COPY

Date	Surname	Code
5/16	Holt	500
	Graves	500
5/19	Johnson	140
	Selfridge	140
	App'd. Sol. Off.	
5/18	Gilbert	800
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Alaska Mines and Minerals, Incorporated
P. O. Box 422
Anchorage, Alaska

R
SOLICITOR

MAY 16 1960

INTERIOR DEPT.

Re: IMEA-2742 (Mercury)
Alaska Mines and Minerals, Inc.
De Coursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-K540

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and of the Termination Agreement (Item 5), all minerals mined or produced from June 2, 1953, to June 2, 1963, are subject to the Government's percentage royalty as set forth in the contract until the sum of $31,500.00 is repaid to the Government.

Royalty payments should be made to the Field Officer, OME, Region I, South 157 Howard Street, Spokane 4, Washington, by the purchaser, with checks drawn payable to the Office of Minerals Exploration. The purchaser should be advised to deduct royalties from the amount due on each shipment and send the check directly to the Field Officer. Each check should be accompanied by suitable sales evidence - such as copies of settlement sheets - showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Your attention is called particularly to Article 10 of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also when production starts, please notify the Field Officer. Thereafter, if production ceases for any extended period, please notify him accordingly at six-month intervals.

Sincerely yours,

/s/ George C. Selfridge
Acting Director

SPHolt/gla 5-16-60
cc to: Robert F. Lyman
c/o Alaska Mines and Minerals, Inc.
Box 422, Anchorage, Alaska

Director's Reading File
F. E. Johnson
CA&A Division
Region I (2)
Code 500
Chron
Harold Kirkemo, USGS

FROM SOLICITOR
MAY 17 1960
FOR SIGNATURE

43683

1201 N. Division St.
Spokane 2, Washington

March 10, 1959

		CODE
3/23	C	220
3/24	EDT WSM	800
		400

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

Re: Docket No. DMEA-2742 (mercury)
DeCourcey Mountain Mining Co., Inc.
DeCourcey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-2940

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement effective November 1, 1954. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

By letter dated May 27, 1957, from the Operating Committee, disposition of equipment is not required.

The Government's right to royalty is preserved by Item 5 of the Termination Agreement, and certification is thereby waived.

A Final Report of Review dated February 27, 1959 by OME Auditor E. D. Talbert has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

Form 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
3/1	Talbert	800
3/2	O	220
3/2	WSM	400

FEB 27 1959

Via Air Mail

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

Re: Docket No. DMEA-2742 (Mercury)
DeCourcey Mountain Mining Co., Inc.
Contract No. Ida-E540

Dear Mr. Weissenborn:

Enclosed is the original and three copies of a Report of Review in lieu of a final audit of the referenced project.

If you concur with the facts as stated in this report, please make the usual distribution. If for any reason you do not concur, please return the original and all copies with your comments to this Division.

The recent receipt of the Operator's final report permits the release of this long-delayed Report of Review.

Sincerely yours

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

EDTalbert/GMcC
February 27, 1959

cc: Docket
Director's Reading File
Mr. Chambers
Mr. George Mavor (w/copy of RR)

8623

offered
WTR COPY
O E.
RECEIVED MAR 3 1959

DATE	INITIALS	CODE
3/3	WSM	400

1201 N. Division St.
Spokane 2, Washington

February 26, 1959

Mr. Jay L. Chambers, Director
Contract Administration and Audit Division
Office of Minerals Exploration
Department of the Interior
Washington 25, D.C.

Re: Docket No. BMA-2742 (mercury)
DeCourcey Mountain Mining Co.
4th Judicial Division, Alaska
DeCourcey Mountain Mine
Contract No. Idm-E540

Dear Mr. Chambers:

It is our understanding Mr. Talbert will take care of the subject contract upon receipt of the Operator's final report. The final report was received and forwarded to Mr. Selfridge, February 20, 1959.

Inasmuch as this office took no action on this contract and, because it has been inactive since the Interim Audit dated April 23, 1955, we are not writing the memorandum requesting final audit.

We note there has been withheld $5,345.62 pending receipt of the Operator's final geologic and engineering report. Apparently a decision has not been made as to whether or not the Government's interest in the project equipment should be waived.

We would like to know if Mr. Talbert will require our files on this contract to close out the account.

By Field Team, Region I

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

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

cc: OME (2)
USGS (2)
USBM (AD)

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

February 20, 1959

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O. M. E.
RECEIVED FEB 27 1959

DATE	INITIALS	CODE
2-27	C	220
2/27	EW	800
2/27	WSM	400

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

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
4th Judicial Division, Alaska
DeCoursey Mountain Mine
Contract No. Idm-E540

Dear Mr. Selfridge:

Enclosed are the original and one copy of the Operator's Final Report on a DMEA project conducted at the DeCoursey Mountain Mine.

The first Operator's Final Report received August 13, 1958 did not include any drill hole logs. The Field Team informed the operator that we would require this information before the report would be acceptable. The enclosed report includes drill hole logs and assays, as well as a map, and is now acceptable to the Field Team.

The Government's right to royalty is preserved by Item 5 of the Termination Agreement, and certification is thereby waived.

A Field Team final report was sent to you October 31, 1958.

By Field Team Region I

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosure as above

De Coursey Mountain Mining Co., Inc.

RED DEVIL, ALASKA

RECEIVED
BUREAU OF MINES
FEB 12 1959
SPOKANE, WASH.

MINE:

DMEA No. 2742
Contract No. Idm-E 570

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O. M. E.
RECEIVED FEB 27 1959

DATE	INITIALS	CODE

Oper. Final Report

OPERATOR'S FINAL REPORT

DeCoursey Mountain Mine
Iditarod District
Alaska

Summary of Project

Started - March 31, 1953

Terminated - November 1, 1954

Work Completed - Maximum allowable cost to operator

2500 Ft. of diamond drilling $ 42,000.00
(plus 135 ft. at operator's expense)

For breakdown of costs see Interim Certificate of DMEA Contract, Administration and Audit Division dated April 23, 1955.

Geologic Features of Project -

Three areas of cinnabar mineralization were discovered. The westernmost two were located in the footwall area of the ill defined zone of sills and altered rock. These showings may be the downward extensions of the Retort vein and the Top Vein. Another showing was found east of the 'sill zone'. No ore zones of sufficient continuity to permit calculation of ore reserves were discovered. All assay data are given in the accompanying logs. The enclosed map - DeCoursey Mountain Mine, Diamond Drill Holes, Lyman Adit - shows all 25 holes drilled on this contract, including 11 holes drilled from stations 13, 15, and 16 totalling 1008 feet, which were submitted to the DMEA by March 1955.

Plans for Future Work - None

Gordon Herreid

Gordon Herreid, Geologist

DIAMOND DRILL LOG
DeCoursey Mountain Mine
Lymen Adit

Station 7, Hole 1

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
0-25	Gwk - sh			
25-28	Porph.			
28-46	Gwk - Sh			
46-49	Alt. Rk.			
49	3" Porph.			
49-54	Alt. Rk.			
54	6" Porph			
54-57	Alt. Rk.			
57-58	Porph.			
58-60	Alt.			
60-95	Gwk - Sh			
95-114	Alt.			
114-125	Gwk - sh			

Station 7, Hole 2

0-6	Gwk - sh		
6	1/16" qtz-clay-Cu veinlet		
6-13	gwk- sh		
13	1/8" qtz-Cu veinlet		
13-22	gwk-sh		
22-23½	Dis. Cu in qtz veinlets	1.41 %	#1
23½-29	gwk - sh		
29-30½	Dis. Cu-Qtz in gwk	3.30 %	#2

Station 8, Hole 1

0-1	Por.
1-31	gwk - sh
31-32	Alt. Rk.
32-45	Por.
45-46	Alt. Rk.
46-56	Gwk - Sh
56-57	Por.
57-70	Gwk-sh
70-80	Alt Rk.
80-116	Gwk-Sh
116-117	Por.
117-125	Gwk-sh

Station 8, Hole 2 - Flat

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
0-2	Por			
2-5	Cn-Qtz in Por	0.35% #3	0-5	0.27%
5-14	Por-sparce dis. Cn		10-15	0.27%
14-16	Cn-Qtz in Por	0.26% #4		
16-18	Cn-Qtz in gwk	1.97% #5	15-20	0.27%
18-25	gwk-sh			
25-26	Cn-Sb-Qtz-Feldspar in gwk	2.27% #6	20-25	0.62%
26-28	gwk-sh			
28-30	Por		25-30	0.31%
30-31	Gwk-sh		30-35	0.17%
31-50	Por		35-40	0.19%
			40-45	0.11%
			45-50	0.13%
50-150	Gwk-sh		50-55	0.04%
			55-60	0.45%

Station 9, Hole 1 - Flat

0-2	Cn in shale	6.29% #9
2-3	Alt Gwk	
3-11	Por.	
11-15	Alt gwk	
15-26	gwk w. approx 1 qtz-Cn veinlet per foot	
26-61	gwk-sh	
61-64	Por	
64-68	Alt Bk	
68-73	Por	
73-75	Alt Bk.	
75-115	Gwk-sh	
115-117	Por	
117-125	Gwk-sh	

Station 9, Hole 2

0-130	Gwk-sh
130-132	Alt.
132-150	Por.

Station 9, Hole 3, - -45°

0-10	Sparce Cn-Qtz in Gwk-sh	
10-19	Gwk-sh	
19-20½	Qtz-Cn in gwk-sh	1.09% #8
20½-35	Gwk-sh	

CORE				SLUDGE	
Feet	Rock	Assay		Feet	Assay

Station 9, Hole 4 - ∠30°

0-2	Gwk-sh		
2	Small Tqz-Cn veinlet		
2-9	Gwk-sh		
9-10	Sparce dissem. Cn in Qtz vein.		
10-21½	Gwk-sh		
21½-23	Cn in gwk-sh	2.00%	#11
23-49	Gwk-sh		
49-51	Cn in Por	0.68%	#10
51-54	Por		
54-70	Gwk-sh		

Station 10, Hole 1 - Flat

0-2	Gwk-sh
2-20	Por
20-61	Gwk-sh
61-64	Por.
64-105	Alt. Gwk-sh
105-109	Por
109-125	Alt. Gwk-sh

Station 10, Hole 2 - Flat

0-149	Gwk-sh

Station 11, Hole 1 - Flat

0-20	Altered rock
20-125	GwkGsh

Station 11, Hole 2 - Flat

0-4	Gwk-sh
4-9	Por.
9-150	Gwk-sh

Station 12, Hole 1 - Flat

0-68	Por.
6-9	Gwk-sh
9-13	Por.
13-15	Gwk-sh
15-19	Por
19-47	Gwk-sh
47-55	Por.
55-74	Gwk-sh
74-125	Alt. Rock

Station 12, Hole 2 - Flat

0-10	Gwk-sh
10-28	Alt Gwk-sh
28-29	Por.
29-44	Alt rock
44-130	Gwk-sh

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay

Station 13, Hole 1 - ∠30°

0-9	Gwk-sh
9-28	Alt gwk-sh
28-48	Por.
48-70	Gwk-sh
70-73	Por
73-100	Gwk-sh
100-102⅓	Por.
102⅓-115	Gwk-sh

Station 13, Hole 2 - ∠30°

0-4	Gwk
4-33	Alt Gwk-sh
33-62	Por.
62-79	Alt gwk-sh
79-82⅓	Por
82⅓-100	Alt. gwk-sh

Station 13, Hole 3 - ∠30°

0-25	Gwk-sh
25-30	Por
30-80	Gwk-sh

Station 13, Hole 4 - ∠27°

0-8	Gwk-sh
8-10	Por.
10-18	Gwk-sh
18-22	Por
22-25	Gwk-sh
25-26	Por
26-29	Gwk-sh
29-30	Por
30-52	Gwk-sh

Station 13, Hole 5 - Flat

0-53	Gwk-sh			
53	Calcite filled breccia on either side of 53'			
53-68	Gwk-sh			
68-71	Por			
71-97	Gwk-sh	4" Cn showing at 82' 2" Cn showing at 86'	76-81	0.88%
			81-86	0.77%
97-98⅓	Por			
98⅓-110	Gwk-sh-Low Grade Cn at102-103'			

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
Station 15, Hole 1 - Flat				
0-14	Gwk-sh			
14	4" Por dike			
14-46	Gwk-sh			
46	4" Por dike			
46-82	Gwk-sh		74-79	2.4 %
82-82½	6" Por dike			
82½-97	Gwk-sh		79-84	0.34%
Station 15, Hole 2 - Flat				
0-105	Gwk-sh			
Station 15, Hole 3, Flat				
0-12	Gwk-sh			
12-13	Por.			
13-15	Gwk-sh			
15	10" Por dike			
15-27	Alt gwk-sh			
27-70	Gwk-sh		33-38	0.82%
70	6" Por dike		38-43	0.96%
70-85	Alt gwk-sh		43-48	0.20%
85-86	Por			
86-90	Alt gwk-sh			
90-98	Por.			
98-104	Alt sh.			
104-110	Por.			
110-115	Alt gwk			
115-120	Por & alt. gwk-sh			
120-131½	Alt gwk-sh			
131½-145	Por			
145-160	Alt gwk-sh			
Station 15, Hole 4 - ∠30°				
0-27	Alt gwk-sh			
27-40	Por			
40-45	Alt gwk-sh			
45-89	Gwk-sh			
89-96	Por			
96-102	Alt gwk-sh			
Station 15, Hole 5 - ∠30°				
0-20	Gwk-sh			
20-21	9" low grade Cn			
21-28	Low grade Cn in gwk-sh			
28-44	Gwk-sh			
44	Narrow Cn showing			
44-52	Gwk-sh			
Station 16, Hole 1 - Flat				
0-35	Gwk-sh			

Wash - Owen

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O. M. E.
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DATE	INITIALS	CODE
2/16	C	220
2/16	[illegible]	800
2/17	WSM	400

So. 157 Howard Street
Spokane 4, Washington

February 9, 1959

Air Mail

Mr. Robert F. Lyman, Manager
DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
4th Judicial Division, Alaska
Decoursey Mountain Mine
Contract No. Idm-E540

Dear Mr. Lyman:

This is in further reference to our letter of August 18, 1958 and November 7, 1958, regarding an operator's final report as called for under Article 7(b) of the contract.

We advised you in both letters that the one-page statement dated August 5, 1958, titled "Operator's Final Report", which was prepared by Gordon W. Herreid, geologist, could not be considered as an adequate final report. Our letter dated August 18 stated that the map showing the location of the drill holes is satisfactory but that we should have in addition a descriptive drill hole log of each hole giving rock types, mineralization, assays, and other pertinent information normally included in a drill log.

As a possible further aid to you in preparing an acceptable final report, we enclosed, with our letter of November 7, 1958, an outline of topics that should be included in your report.

Until we receive this report we cannot release any of the $5,345.62 which we are withholding in accordance with the statement on page 7 of the last interim audit dated April 23, 1955, which we sent you with our latter of July 25, 1958.

We would appreciate your prompt attention to this matter so that we can have a final audit made and close our books on this contract. We cannot keep this open indefinitely.

By Field Team Region I

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

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

cc: OME (2); USBM (2); USBM(AD)

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11/10		800
11/12	WSM	400

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

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

November 7, 1958

Air Mail

Mr. Robert F. Lyman, Manager
DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (Mercury)
4th Judicial Division, Alaska
DeCoursey Mountain Mine
Contract No. Idm-E540

Dear Mr. Lyman:

We wrote you a letter dated August 18, 1958, acknowledging receipt of a statement dated August 5, 1958, titled "Operator's Final Report," and the accompanying maps prepared by Gordon Herreid, Geologist, and advised you that this does not constitute an acceptable final report as called for under Article 7(b) of the contract. We described briefly what was required and mentioned certain pertinent information that is lacking.

As a possible further aid to you in preparing an acceptable final report, we are enclosing an outline of the topics that should be included.

We would appreciate your prompt attention to this matter so that we may close our books on this contract.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME (2)
USBM (2)
USBM(AD)

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

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RECEIVED OCT 12 1959

DATE	INITIALS	CODE
10/12	RCW	225
		130
10/13	Holt	~~500~~ S.P.H.
		225

October 6, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region I

Subject: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
Fourth Judicial Division
Territory of Alaska
Contract Idm-E540

When the Field Team final report on the referenced project was prepared we had not received the Operator's final report and only the logs of diamond drill holes drilled from stations 12 through 16 were available.

We have since received the logs of the holes drilled from stations 7 through 11, three copies of which are enclosed for inclusion in the pocket of our final report.

Plate 2 of our report shows DDH 9-3 as being drilled at plus 45 degrees, whereas the enclosed log of that hole shows it as minus 45 degrees. As this would be the only down hole, we believe our map is correct and that the "minus" is a typographical error.

These logs do not alter the conclusions and recommendations in our final report.

A. E. Weissenborn

A. E. Weissenborn

Enclosures

cc: USBM (2)
SRO
Alaska Geol. Branch

SUPPL. FINAL F.T. REPORT

Wash

DIAMOND DRILL LOG
DeCourcey Mountain Mine
Lyman Adit

Station 7, Hole 1

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
0-25	Gwk - sh			
25-28	Porph.			
28-46	Gwk - Sh			
46-49	Alt. Rk.			
49	3" Porph.			
49-54	Alt. Rk.			
54	6" Porph			
54-57	Alt. Rk.			
57-58	Porph.			
58-60	Alt.			
60-95	Gwk - Sh			
95-114	Alt.			
114-125	Gwk - sh			

Station 7, Hole 2

0-6	Gwk - sh	
6	1/16" qts-clay-Cu veinlet	
6-13	gwk- sh	
13	1/8" qts-Cu veinlet	
13-22	gwk-sh	
22-23½	Dis. Cu in qts veinlets	1.41 $
23½-29	gwk - sh	
29-30½	Dis. Cu-Qts in gwk	3.30 $

Station 8, Hole 1

0-1	Por.
1-31	gwk - sh
31-32	Alt. Rk.
32-45	Por.
45-46	Alt. Rk.
46-56	Gwk - Sh
56-57	Por.
57-70	Gwk-sh
70-80	Alt Rk.
80-116	Gwk-Sh
116-117	Por.
117-125	Gwk-sh

Station 8, Hole 2 - Flat

CORE

Feet	Rock	Assay
0-2	Por	
2-5	Cu-Qtz in Por	0.35% # 3
5-14	Por-sparce dis. Cu	
14-16	Cu-Qtz in Por	0.26% # 4
16-18	Cu-Qtz in gwk	1.97% # 5
18-25	gwk-sh	
25-26	Cu-Sb-Qtz-Feldspar in gwk	2.27% # 6
26-28	gwk-sh	
28-30	Por	
30-31	Gwk-sh	
31-50	Por	
50-150	Gwk-sh	

SLUGGE

Feet	Assay
0-5	0.27%
10-15	0.27%
15-20	0.27%
20-25	0.62%
25-30	0.31%
30-35	0.17%
35-40	0.19%
40-45	0.11%
45-50	0.13%
50-55	0.04%
55-60	0.45%

Station 9, Hole 1 - Flat

0-2	Cu in shale	6.29%
2-3	Alt Gwk	
3-11	Por.	
11-15	Alt gwk	
15-26	gwk w. approx 1 qtz-Cu vein-let per foot	
26-61	gwk-sh	
61-64	Por	
64-68	Alt hk	
68-73	Por	
73-75	Alt Rk.	
75-115	Gwk-sh	
115-117	Por	
117-125	Gwk-sh	

Station 9, Hole 2

0-130	Gwk-sh
130-132	Alt.
132-150	Por.

Station 9, Hole 3, - -45°

0-10	Sparce Cu-Qtz in Gwk-sh	
10-19	Gwk-sh	
19-20½	Qtz-Cu in gwk-sh	1.09% # 7
20½-35	Gwk-sh	

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay

Station 9, Hole 4 - +30°

0-2	Gwk-sh	
2	Small Tqs-Cn veinlet	
2-9	Gwk-sh	
9-10	Sparce dissem. Cn in Qtz v in.	
10-21½	Gwk-sh	
21½-23	Cn in gwk-sh	2.00% "
23-49	Gwk-sh	
49-51	Cn in Por	0.68% "
51-54	Por	
54-70	Gwk-sh	

Station 10, Hole 1 - Flat

0-2	Gwk-sh
2-20	Por
20-61	Gwk-sh
61-64	Por.
64-105	Alt. Gwk-sh
105-109	Por
109-125	Alt. Gwk-sh

Station 10, Hole 2 - Flat

0-129	Gwk-sh

Station 11, Hole 1 - Flat

0-20	Altered rock
20-125	Gwk-sh

Station 11, Hole 2 - Flat

0-4	Gwk-sh
4-9	Por.
9-150	Gwk-sh

Station 12, Hole 1 - Flat

0-68	Por.
6-9	Gwk-sh
9-13	Por.
13-15	Gwk-sh
15-19	Por
19-47	Gwk-sh
47-55	Por.
55-74	Gwk-sh
74-125	Alt. Rock

Station 12, Hole 2 - Flat

0-10	Gwk-sh
10-28	Alt Gwk-sh
28-29	Por.
29-44	Alt rock
44-130	Gwk-sh

Feet	Rock	Assay	Feet	Assay
CORE			**SLUDGE**	

on 13, Hole 1 - ∠30°

0-9	Gwk-sh
9-28	Alt gwk-sh
28-48	Por.
48-70	Gwk-sh
70-73	Por
73-100	Gwk-sh
100-102½	Por.
102½-115	Gwk-sh

tion 13, Hole 2 - ∠30°

0-4	Gwk
4-33	Alt Gwk-sh
33-62	Por.
62-79	Alt gwk-sh
79-82½	Por
82½-100	Alt. gwk-sh

ation 13, Hole 3 - ∠30°

0-25	Gwk-sh
25-30	Por
30-80	Gwk-sh

ation 13, Hole 4 - ∠27°

0-8	Gwk-sh
8-10	Por.
10-18	Gwk-sh
18-22	Por
22-25	Gwk-sh
25-26	Por
26-29	Gwk-sh
29-30	Por
30-52	Gwk-sh

ation 13, Hole 5 - Flat

0-53	Gwk-sh		
53	Calcite filled breccia on either side of 53'		
53-68	Gwk-sh		
68-71	Por		
71-97	Gwk-sh {4" Cu showing at 82' / 2" Cu showing at 86'	76-81	0.88%
		81-86	0.77%
97-98½	Por		
98½-110	Gwk-sh-Low Grade Cu at102-103'		

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
Station 15, Hole 1 - Flat				
0-14	Gwk-sh			
14	4" Por dike			
14-46	Gwk-sh			
46	4" Por dike			
46-82	Gwk-sh		74-79	2.4 %
82-82½	6" Por dike			
82½-97	Gwk-sh		79-84	0.34%
Station 15, Hole 2 - Flat				
0-105	Gwk-sh			
Station 15, Hole 3, Flat				
0-12	Gwk-sh			
12-13	Por.			
13-15	Gwk-sh			
15	10" Por dike			
15-27	Alt gwk-sh			
27-70	Gwk-sh		33-38	0.82%
70	6" Por dike		38-43	0.96%
70-85	Alt gwk-sh		43-48	0.20%
85-86	Por			
86-90	Alt gwk-sh			
90-98	Por.			
98-104	Alt sh.			
104-110	Por.			
110-115	Alt gwk			
115-120	Por & alt. gwk-sh			
120-131½	Alt gwk-sh			
131½-145	Por			
145-160	Alt gwk-sh			
Station 15, Hole 4 - ∠30°				
0-27	Alt gwk-sh			
27-40	Por			
40-45	Alt gwk-sh			
45-89	Gwk-sh			
89-96	Por			
96-102	Alt gwk-sh			
Station 15, Hole 5 - ∠30°				
0-20	Gwk-sh			
20-21	9" low grade Cu			
21-28	Low grade Cu in gwk-sh			
28-44	Gwk-sh			
44	Narrow Cu showing			
44-52	Gwk-sh			
Station 16, Hole 1 - Flat				
0-35	Gwk-sh			

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So. 157 Howard Street
Spokane 4, Washington

October 6, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region I

Subject: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
Fourth Judicial Division
Territory of Alaska
Contract Idm-E540

When the Field Team final report on the referenced project was prepared we had not received the Operator's final report and only the logs of diamond drill holes drilled from stations 12 through 16 were available.

We have since received the logs of the holes drilled from stations 7 through 11, three copies of which are enclosed for inclusion in the pocket of our final report.

Plate 2 of our report shows DDH 9-3 as being drilled at plus 45 degrees, whereas the enclosed log of that hole shows it as minus 45 degrees. As this would be the only down hole, we believe our map is correct and that the "minus" is a typographical error.

These logs do not alter the conclusions and recommendations in our final report.

A. E. Weissenborn

Enclosures

cc: USBM (2)
SRO
Alaska Geol. Branch

DIAMOND DRILL LOG
DeCourcey Mountain Mine
Lyman Adit

Station 7, Hole 1

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
0-25	Gwk - sh			
25-28	Porph.			
28-46	Gwk - Sh			
46-49	Alt. Rk.			
49	3" Porph.			
49-54	Alt. Rk.			
54	6" Porph			
54-57	Alt. Rk.			
57-58	Porph.			
58-60	Alt.			
60-95	Gwk - Sh			
95-114	Alt.			
114-125	Gwk - sh			

Station 7, Hole 2

0-6	Gwk - sh	
6	1/16" qtz-clay-Cu veinlet	
6-13	gwk- sh	
13	1/8" qtz-Cu veinlet	
13-22	gwk-sh	
22-23½	Dis. Cu in qtz veinlets	1.41 % #1
23½-29	gwk - sh	
29-30½	Dis. Cu-Qtz in gwk	3.30 % #2

Station 8, Hole 1

0-1	Por.
1-31	gwk - sh
31-32	Alt. Rk.
32-45	Por.
45-46	Alt. Rk.
46-56	Gwk - Sh
56-57	Por.
57-70	Gwk-sh
70-80	Alt Rk.
80-116	Gwk-Sh
116-117	Por.
117-125	Gwk-sh

Station 8, Hole 2 - Flat

CORE

Feet	Rock	Assay
0-2	Por	
2-5	Cn-Qtz in Por	0.35% #3
5-14	Por-sparce dis. Cn	
14-16	Cn-Qtz in Por	0.26% #4
16-18	Cn-Qtz in gwk	1.97% #5
18-25	gwk-sh	
25-26	Cn-Sb-Qtz-Feldsper in gwk	2.27% #6
26-28	gwk-sh	
28-30	Por	
30-31	Gwk-sh	
31-50	Por	
50-150	Gwk-sh	

SLUDGE

Feet	Assay
0-5	0.27%
10-15	0.27%
15-20	0.27%
20-25	0.62%
25-30	0.31%
30-35	0.17%
35-40	0.19%
40-45	0.11%
45-50	0.13%
50-55	0.04%
55-60	0.45%

Station 9, Hole 1 - Flat

0-2	Cn in shale	6.29% #1
2-3	Alt Gwk	
3-11	Por.	
11-15	Alt gwk	
15-26	gwk w. approx 1 qtz-Cn veinlet per foot	
26-61	gwk-sh	
61-64	Por	
64-68	Alt Bk	
68-73	Por	
73-75	Alt Bk.	
75-115	Gwk-sh	
115-117	Por	
117-125	Gwk-sh	

Station 9, Hole 2

0-130	Gwk-sh
130-132	Alt.
132-150	Por.

Station 9, Hole 3, - -45°

0-10	Sparce Cn-Qtz in Gwk-sh	
10-19	Gwk-sh	
19-20½	Qtz-Cn in gwk-sh	1.09% #8
20½-35	Gwk-sh	

CORE			SLIDER	
Feet	Rock	Assay	Feet	Assay

Station 9, Hole 4 - ∠30°

0-2	Gwk-sh	
2	Small Tqz-Cn veinlet	
2-9	Gwk-sh	
9-10	Sparce dissem. Cn in Qtz vein.	
10-21½	Gwk-sh	
21½-23	Cn in gwk-sh	2.00% # 11
23-49	Gwk-sh	
49-51	Cn in Por	0.68% # 10
51-54	Por	
54-70	Gwk-sh	

Station 10, Hole 1 - Flat

0-2	Gwk-sh
2-20	Por
20-61	Gwk-sh
61-64	Por.
64-105	Alt. Gwk-sh
105-109	Por
109-125	Alt. Gwk-sh

Station 10, Hole 2 - Flat

0-149	Gwk-sh

Station 11, Hole 1 - Flat

0-20	Altered rock
20-125	Gwk-sh

Station 11, Hole 2 - Flat

0-4	Gwk-sh
4-9	Por.
9-150	Gwk-sh

Station 12, Hole 1 - Flat

0-68	Por.
6-9	Gwk-sh
9-13	Por.
13-15	Gwk-sh
15-19	Por
19-47	Gwk-sh
47-55	Por.
55-74	Gwk-sh
74-125	Alt. Rock

Station 12, Hole 2 - Flat

0-10	Gwk-sh
10-28	Alt Gwk-sh
28-29	Por.
29-44	Alt rock
44-130	Gwk-sh

Feet	Rock	Assay	Feet	Assay
CORE			**SLUDGE**	

on 13, Hole 1 - ∠30°

0-9	Gwk-sh
9-28	Alt gwk-sh
28-48	Por.
48-70	Gwk-sh
70-73	Por
73-100	Gwk-sh
100-102½	Por.
102½-115	Gwk-sh

tion 13, Hole 2 - ∠30°

0-4	Gwk
4-33	Alt Gwk-sh
33-62	Por.
62-79	Alt gwk-sh
79-82½	Por
82½-100	Alt. gwk-sh

ation 13, Hole 3 - ∠30°

0-25	Gwk-sh
25-30	Por
30-80	Gwk-sh

tion 13, Hole 4 - ∠27°

0-8	Gwk-sh
8-10	Por.
10-18	Gwk-sh
18-22	Por
22-25	Gwk-sh
25-26	Por
26-29	Gwk-sh
29-30	Por
30-52	Gwk-sh

tion 13, Hole 5 - Flat

0-53	Gwk-sh
53	Calcite filled breccia on either side of 53'
53-68	Gwk-sh
68-71	Por
71-97	Gwk-sh {4" Cn showing at 82' / 2" Cn showing at 86'
97-98½	Por
98½-110	Gwk-sh-Low Grade Cn at102-103'

Feet	Assay
76-81	0.88%
81-86	0.77%

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
Station 15, Hole 1 - Flat				
0-14	Gwk-sh			
14	4" Por dike			
14-46	Gwk-sh			
46	4" Por dike			
46-82	Gwk-sh		74-79	2.4 %
82-82½	6" Por dike			
82½-97	Gwk-sh		79-84	0.34%
Station 15, Hole 2 - Flat				
0-105	Gwk-sh			
Station 15, Hole 3, Flat				
0-12	Gwk-sh			
12-13	Por.			
13-15	Gwk-sh			
15	10" Por dike			
15-27	Alt gwk-sh			
27-70	Gwk-sh		33-38	0.82%
70	6" Por dike		38-43	0.96%
70-85	Alt gwk-sh		43-48	0.20%
85-86	Por			
86-90	Alt gwk-sh			
90-98	Por.			
98-104	Alt sh.			
104-110	Por.			
110-115	Alt gwk			
115-120	Por & alt. gwk-sh			
120-131½	Alt gwk-sh			
131½-145	Por			
145-160	Alt gwk-sh			
Station 15, Hole 4 - ∠30°				
0-27	Alt gwk-sh			
27-40	Por			
40-45	Alt gwk-sh			
45-89	Gwk-sh			
89-96	Por			
96-102	Alt gwk-sh			
Station 15, Hole 5 - ∠30°				
0-20	Gwk-sh			
20-21	9" low grade Cu			
21-28	Low grade Cu in gwk-sh			
28-44	Gwk-sh			
44	Narrow Cu showing			
44-52	Gwk-sh			
Station 16, Hole 1 - Flat				
0-35	Gwk-sh			

Enclo

Co. 157 Howard Street
Spokane 4, Washington

October 6, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region I

Subject: Docket No. DMEA-2742 (Mercury)
DeCourcey Mountain Mining Co., Inc.
DeCourcey Mountain Mine
Fourth Judicial Division
Territory of Alaska
Contract Idm-E540

When the Field Team final report on the referenced project was prepared we had not received the Operator's final report and only the logs of diamond drill holes drilled from stations 12 through 16 were available.

We have since received the logs of the holes drilled from stations 7 through 11, three copies of which are enclosed for inclusion in the pocket of our final report.

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These logs do not alter the conclusions and recommendations in our final report.

A. E. Weissenborn

Enclosures

cc: USBM (2)
SRO
Alaska Geol. Branch

DIAMOND DRILL LOG
DeCourcey Mountain Mine
Lyman Adit

Station 7, Hole 1

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
0-25	Gwk - sh			
25-28	Porph.			
28-46	Gwk - Sh			
46-49	Alt. Rk.			
49	3" Porph.			
49-54	Alt. Rk.			
54	6" Porph			
54-57	Alt. Rk.			
57-58	Porph.			
58-60	Alt.			
60-95	Gwk - Sh			
95-114	Alt.			
114-125	Gwk - sh			

Station 7, Hole 2

0-6	Gwk - sh	
6	1/16" qtz-clay-Cu veinlet	
6-13	gwk- sh	
13	1/8" qtz-Cu veinlet	
13-22	gwk-sh	
22-23½	Dis. Cu in qtz veinlets	1.41 %
23½-29	gwk - sh	
29-30½	Dis. Cu-Qtz in gwk	3.30 %

Station 8, Hole 1

0-1	Por.
1-31	gwk - sh
31-32	Alt. Rk.
32-45	Por.
45-46	Alt. Rk.
46-56	Gwk - Sh
56-57	Por.
57-70	Gwk-sh
70-80	Alt Rk.
80-116	Gwk-Sh
116-117	Por.
117-125	Gwk-sh

Station 8, Hole 2 - Flat

CORE

Feet	Rock	Assay	
0-2	Por		
2-5	Cn-Qtz in Por	0.35%	#3
5-14	Por-sparce dis. Cn		
14-16	Cn-Qtz in Por	0.26%	#4
16-18	Cn-Qtz in gwk	1.97%	#5
18-25	gwk-sh		
25-26	Cn-Sb-Qtz-Feldsper in gwk	2.27%	#6
26-28	gwk-sh		
28-30	Por		
30-31	Gwk-sh		
31-50	Por		
50-150	Gwk-sh		

SLUDGE

Feet	Assay
0-5	0.27%
10-15	0.27%
15-20	0.27%
20-25	0.62%
25-30	0.31%
30-35	0.17%
35-40	0.19%
40-45	0.11%
45-50	0.13%
50-55	0.04%
55-60	0.45%

Station 9, Hole 1 - Flat

0-2	Cn in shale	6.29%	#7
2-3	Alt Gwk		
3-11	Por.		
11-15	Alt gwk		
15-26	gwk v. approx 1 qtz-Cn vein-let per foot		
26-61	gwk-sh		
61-64	Por		
64-68	Alt Bk		
68-73	Por		
73-75	Alt Bk.		
75-115	Gwk-sh		
115-117	Por		
117-125	Gwk-sh		

Station 9, Hole 2

0-130	Gwk-sh
130-132	Alt.
132-150	Por.

Station 9, Hole 3, - +45°

0-10	Sparse Cn-Qtz in Gwk-sh		
10-19	Gwk-sh		
19-20½	Qtz-Cn in gwk-sh	1.09%	#8
20½-35	Gwk-sh		

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay

Station 9, Hole 4 - +30°

0-2	Gwk-sh	
2	Small Tqz-Cn veinlet	
2-9	Gwk-sh	
9-10	Sparce dissem. Cn in Qtz v in.	
10-21½	Gwk-sh	
21½-23	Cn in gwk-sh	2.00% # 11
23-49	Gwk-sh	
49-51	Cn in Por	0.68% # 10
51-54	Por	
54-70	Gwk-sh	

Station 10, Hole 1 - Flat

0-2	Gwk-sh
2-20	Por
20-61	Gwk-sh
61-64	Por.
64-105	Alt. Gwk-sh
105-109	Por
109-125	Alt. Gwk-sh

Station 10, Hole 2 - Flat

0-149	Gwk-sh

Station 11, Hole 1 - Flat

0-20	Altered rock
20-125	Gwk-sh

Station 11, Hole 2 - Flat

0-4	Gwk-sh
4-9	Por.
9-150	Gwk-sh

Station 12, Hole 1 - Flat

0-68	Por.
6-9	Gwk-sh
9-13	Por.
13-15	Gwk-sh
15-19	Por
19-47	Gwk-sh
47-55	Por.
55-74	Gwk-sh
74-125	Alt. Rock

Station 12, Hole 2 - Flat

0-10	Gwk-sh
10-28	Alt Gwk-sh
28-29	Por.
29-44	Alt rock
44-130	Gwk-sh

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay

Station 13, Hole 1 - ∠30°

0-9	Gwk-sh
9-28	Alt gwk-sh
28-48	Por.
48-70	Gwk-sh
70-73	Por
73-100	Gwk-sh
100-102½	Por.
102½-115	Gwk-sh

Station 13, Hole 2 - ∠30°

0-4	Gwk
4-33	Alt Gwk-sh
33-62	Por.
62-79	Alt gwk-sh
79-82½	Por
82½-100	Alt. gwk-sh

Station 13, Hole 3 - ∠30°

0-25	Gwk-sh
25-30	Por
30-80	Gwk-sh

Station 13, Hole 4 - ∠27°

0-8	Gwk-sh
8-10	Por.
10-18	Gwk-sh
18-22	Por
22-25	Gwk-sh
25-26	Por
26-29	Gwk-sh
29-30	Por
30-52	Gwk-sh

Station 13, Hole 5 - Flat

0-53	Gwk-sh
53	Calcite filled breccia on either side of 53'
53-68	Gwk-sh
68-71	Por
71-97	Gwk-sh {4" Ca showing at 82' / 2" Ca showing at 86'
97-98½	Por
98½-110	Gwk-sh-Low Grade Ca at102-109'

71-81	0.003
81-83	0.073

CORE			SLUDGE	
Feet	Rock	Assay	Feet	Assay
Station 15, Hole 1 - Flat				
0-14	Gwk-sh			
14	4" Por dike			
14-46	Gwk-sh			
46	4" Por dike			
46-82	Gwk-sh		74-79	2.4 %
82-82½	6" Por dike			
82½-97	Gwk-sh		79-84	0.34%
Station 15, Hole 2 - Flat				
0-105	Gwk-sh			
Station 15, Hole 3, Flat				
0-12	Gwk-sh			
12-13	Por.			
13-15	Gwk-sh			
15	10" Por dike			
15-27	Alt gwk-sh			
27-70	Gwk-sh		33-38	0.82%
70	6" Por dike		38-43	0.96%
70-85	Alt gwk-sh		43-48	0.20%
85-86	Por			
86-90	Alt gwk-sh			
90-98	Por.			
98-104	Alt sh.			
104-110	Por.			
110-115	Alt gwk			
115-120	Por & alt. gwk-sh			
120-131½	Alt gwk-sh			
131½-145	Por			
145-160	Alt gwk-sh			
Station 15, Hole 4 - ∠30°				
0-27	Alt gwk-sh			
27-40	Por			
40-45	Alt gwk-sh			
45-89	Gwk-sh			
89-96	Por			
96-102	Alt gwk-sh			
Station 15, Hole 5 - ∠30°				
0-20	Gwk-sh			
20-21	9" low grade Cu			
21-28	Low grade Cu in gwk-sh			
28-44	Gwk-sh			
44	Narrow Cu showing			
44-52	Gwk-sh			
Station 16, Hole 1 - Flat				
0-35	Gwk-sh			

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
October 31, 1958

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O. M. E.
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Mr. George C. Selfridge, Chairman
Operating Committee, OME
Department of the Interior
Washington 25, D. C.

Re: Docket No. OMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
Fourth Judicial Division
Territory of Alaska
Contract No. Idm-E540

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report on this project.

The purpose of the project was to explore the downward extensions of veins found at the surface by diamond drilling 2,500 feet of horizontal holes from the Lyman tunnel in Stage I. If successful, the drilling was to be followed by 300 feet of cross-cutting and drifting and diamond drilling an additional 2,500 feet of holes in Stage II.

Stage I drilling was sufficiently successful to warrant consideration of authorizing Stage II, but the Operator did not submit a proposal and advised the Field Team that he did not intend to continue work in the near future. Accordingly, the contract was terminated by mutual agreement as of November 1, 1954.

A pseudo-certification was incorporated in the termination agreement.

By Field Team, Region I

for O.R. Mackeven
A. E. Weissenborn, Executive Officer
U. S. Geological Survey

for Thomas E Howard
Wing G. Agnew, Member
U. S. Bureau of Mines

Reviewed by
OME OPERATING COMMITTEE
11/7/58
(date)

Enclosures

cc: USBM(2) MacKevett
USGS(SRO)

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I

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FINAL REPORT

Contract Idm-E540

FT'S FINAL REPORT

by

E. W. Parsons
Mining Engineer
U. S. Bureau of Mines

E. M. MacKevett, Jr.
Geologist
U. S. Geological Survey

DECOURSEY MOUNTAIN MINING COMPANY, INC.
P. O. Box 523
Anchorage, Alaska

Docket No.:	DMEA-2742
Commodity:	Mercury
Contract date:	June 2, 1953
Termination date:	November 1, 1954

Reviewed by
OME OPERATING COMMITTEE
11/7/58
(date)

DECOURSEY MOUNTAIN MINE
Otter Mining and Recording District
Fourth Judicial Division
Territory of Alaska

Spokane, Washington

October 1958

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ILLUSTRATIONS

	In Pocket
Figure 1 - Index map of Alaska showing the location of the DeCoursey Mountain mine	
Plate 1 - Map of the DeCoursey Mountain Mine showing underground workings, ore bodies, sample locations and grade	
2 - Map showing lengths, bearings, and inclinations of diamond drill holes from the Lyman Tunnel	

FINAL REPORT

DECOURSEY MOUNTAIN MINING COMPANY, INC.
DeCoursey Mountain Mine
Otter Mining and Recording District
Fourth Judicial Division
Territory of Alaska

Contract Idm-E540

* * * * *

INTRODUCTION

This report describes an exploration project for mercury ore at the DeCoursey Mountain mine near Crooked Creek, Otter Mining and Recording District, McGrath, Fourth Judicial Division, Alaska, which was participated in jointly by DeCoursey Mountain Mining Co., Inc. and the Defense Minerals Exploration Administration.

Neither of the authors has examined the mine, and this report is based on material in DMEA files, published reports, and consultation with geologists who have seen the property.

Summary

The purpose of the project was to explore for extensions of mercury veins and blind ore bodies in a shale-graywacke sequence that has been cut by diabase dikes and sills. Prior to DMEA exploration, five cinnabar-bearing zones were exposed in outcrops, in open cuts, and in underground workings. According to Cady and others (Cady, W. M., Wallace, R. E., Hoare, J. M., and Webber, E. J., The Central Kuskokwim Region, Alaska: U. S. Geol. Survey Prof. Paper 268, 1955, p. 112), the ore bodies were exposed for short distances throughout a slightly curved belt about 2,000 feet long, 250 feet wide, and through a vertical range of 360 feet. The ore bodies occur chiefly in silicified rocks--called silica carbonate rock by Cady and others--within and adjacent to diabase. They form veins, some which pinch and swell, irregular lenses, and local replacements of the diabase. Stibnite commonly occurs with the cinnabar in the proportion of about 1 to 5.

The proposed work was to explore the downward extensions of the veins by diamond drilling horizontal holes from the Lyman tunnel. If the drilling in Stage I were successful, it was to be followed by crosscutting, drifting, and diamond drilling in Stage II.

Under the DMEA contract 2,620 feet of diamond drill holes was reportedly drilled although only 2,500 feet was specified in the contract and 2,614 feet was plotted on the company's overlay maps. Twenty-five holes were drilled in a relatively successful attempt to trace the downward extensions of the known mineralized vein zones. The work indicated that the ore shoots probably continue in depth and that some of the veins branch near the surface. Occurrence of cinnabar and stibnite in the ore shoots is irregular.

The operation was closed on October 31, 1954 before winter weather became severe because the company was concentrating on the work at their Red Devil mine.

The effective date of the DMEA contract was June 2, 1953. The contract was amended on November 16, 1953 to extend the completion date by 6 months or until December 2, 1954. Also, the project was recessed for 6 months from November 1, 1953 to May 1, 1954. The Operator declined to sign a proposed amendment, dated March 8, 1956, that contained provisions to extend the completion date to December 2, 1956, to authorize suspension of contract work from October 31, 1954 to July 1, 1956, and to extend the period for royalty payment from 10 to 13 years. The work was not resumed in July 1956 and the Operator advised that he did not intend to continue work in the near future. A Termination Agreement, dated May 24, 1957, was signed which terminated the contract as of November 1, 1954. Provisions of this agreement provide for royalty payment on production in the same manner and amount and for the same period as if certification of discovery had been made.

The Operator has not submitted an engineering or geological report covering work done under the contract. He has been asked to submit this report and has been told that, pending its receipt, the Government is withholding $5,345.62 otherwise due him.

Note see letter of Aug. 18, 1958

No mercury has been produced from the property during or since the contract work.

Recommendations

The project was successful in finding the downward extension of some ore shoots exposed in surface trenches. Although sufficient mineralization was encountered in the diamond drill holes to warrant a certification of discovery, the Government's right to a percentage royalty on production is preserved in Article 5 of the Termination Agreement.

Government participation in further exploration of this deposit is warranted. Should the present Operator apply for additional exploration aid on this property, some assurance should be had that it will prosecute the work diligently and will comply with all provisions of the contract. A contract, if granted, should be on a unit cost basis.

LOCATION AND ACCESSIBILITY

The DeCoursey Mountain mine is located at lat. 62°06' N., long. 158°30' W., about 17 miles northwest of the village of Crooked Creek (fig. 1) in the Otter Mining and Recording District, Fourth Judicial Division, Territory of Alaska.

The property can be reached by trails from the native village of Crooked Creek on the Kuskokwim River, a distance of 23 miles, or from Flat, on the Yukon drainage, a distance of 43 miles. Both routes traverse swampy muskeg country. Heavy supplies and equipment are hauled by dog team or tractor and sled from river landings during the winter freeze-up. In summer, if the rainfall is heavy, outboard motor boats can ascend Crooked Creek to within 8 miles of the mine, and via the Iditarod River and tributaries to within 7 miles. Shipments from Seattle are generally taken to Bethel, Alaska, by ocean steamer and up the Kuskokwim River by river boat. Urgently needed supplies available in Anchorage are flown to the mine where there is a small airfield suitable for light planes.

The topography of the area is of medium to low relief. Altitudes of the deposit range from about 750 to 1,000 feet. Maximum relief in the mining area is about 500 feet.

The weather in the region is typically mild in the summer with moderate temperatures and frequent light rains from July to September. Winters are very cold, with temperatures as low as 40° below zero, and a persistent snow cover of a few feet. Freighting over snow can usually be done from November to the middle of April.

PROPERTY

The property covered by the exploration project contract is the Snow Bird and Last Chance groups of unpatented lode mining claims. The claims are recorded in the Commissioner's office at McGrath, Alaska, as follows:

Lode Mining Claims	Recorded Date	Book Number	Page Number	Amended Location Date *
Snow Bird No. 1	5-27-29	Vol. 2/9	266	
No. 2	5-27-29	Vol. 2/9	287	10-21-43
No. 3	5-27-29	Vol. 2/9	287	10-21-43
No. 4	5-22-36	Vol. 4-12	311	
No. 5	5-22-36	Vol. 4-12	211	
Last Chance No. 1				10-21-43
No. 2				10-21-43
No. 3				10-21-43

*Amended Locations are recorded in Vol. 4, pp. 412-414, incl.

According to Cady and others (1955, p. 111), the deposits were discovered by Matt DeCourcy during the winter of 1910-11, and first staked by him in 1919. The property was subsequently acquired by Harry and John Brink in 1927, and in 1942 R. F. Lyman obtained control and later ownership. Lyman amended the locations of five of the claims in 1943 and sold the property to the DeCoursey Mountain Mining Company in 1951. Early in 1955, the firm of Brewis and White, Toronto, Canada, obtained control of the DeCoursey Mountain Mining Company.

Prospect work and mining up to 1941 was mainly confined to surface trenching with a little shallow drifting and the recovery of high grade float ore. What the production for this period might have been is not known. Production for 1942 was about 80 flasks and came principally from float ore. For the period 1943 to 1946, the work consisted of driving the Lyman tunnel, some stoping, and some surface stripping and gouging. Total production, including the 80 flasks previously mentioned, is estimated to have been in excess of 1,500 flasks.

Workings consist of the Lyman tunnel (820 adit) 910 feet in length; the "New Adit" (910 adit), now about 200 feet in length; small stopes; and bulldozer cuts and trenches over much of the known mineralized area (pl. 1). Work done under the contract is reported to be 2,620 feet of diamond drilling.

GEOLOGY

The rocks of the DeCoursey Mountain area consist of interbedded shales and graywacke of the Late Cretaceous Kuskokwim group that are intruded by sill-like bodies of basalt and diabase. The strata strike northeast and dip steeply northwest. Ore bodies containing cinnabar are found along hydrothermally altered dikes and sills, in shales, in fractured zones, and along contacts between igneous and sedimentary rocks. Mineralization was accompanied by silicification, forming the silica-carbonate rock described by Cady, which is the host rock for almost all of the deposits. The continuity of some ore bodies is disrupted by generally steep N. 70° E. to east-striking faults that were active both before and after the cinnabar mineralization. Lenses of cinnabar locally occur between and are associated with these transverse faults. Ore bodies pinch and swell both horizontally and vertically, forming in many cases a series of lenses, some of which are suggestive of en echelon patterns. The ore bodies range in thickness from a few inches to more than one foot and in length up to about 200 feet. The metallic minerals of the deposits include cinnabar, stibnite, cervantite, and arsenopyrite. They are associated with chalcedony and small amounts of carbonates and kaolin.

Exploration of the property was based on the supposition that although some of the ore bodies exposed on the surface might disappear at depth other "blind" ore bodies would be found, and that ore bodies would be found in the mineralized zones to a possible depth of 300 feet.

The diamond drill recovered very little core when passing through mineralized zones. Both the Operator and the drill crew felt that small stringers and streaks of cinnabar were ground up during drilling and lost in the sludge. In some cases the sludge was recovered and assayed but the results were thought to be too high.

Logs of about half the holes and a total of 17 assays of sludge samples from 4 holes are available. No assay results of core samples are in the files. Appended to this report are the available drill logs and sludge assays.

THE PROJECT

The original application for DMEA assistance was submitted in November 1951, but due to uncertainties regarding the management no action was taken. An amended application was submitted in February 1952 after the management and ownership had changed, and a contract dated June 2, 1953 was signed.

The exploration work authorized in the contract was divided into two stages, with Stage I to consist of the following:

1. Obtain equipment and supplies and transport them to the job site.

2. Repair cookhouse and compressor building.

3. Construct or purchase and erect a building 14 by 18 feet.

4. Install equipment.

5. Clean and rehabilitate the Lyman tunnel to the extent necessary for drilling.

6. Prepare drill stations and diamond drill 2,500 feet of horizontal hole.

Stage II, dependent on the results of Stage I, was to be performed by an independent contractor. It comprised the following work:

1. Drive a total of 300 feet by 5- by 7-foot crosscut and/or drift and prepare diamond drill stations.

2. Drill 2,500 feet of diamond drill hole.

Contract work started in June 1953 and continued until November 1953 when it was recessed for the winter. Work was resumed in May 1954 and continued until October although drilling was finished in September. The location of the diamond drill holes is shown on plate 2.

The Field Team was ready to consider authorizing Stage II work but the Operator submitted neither an acceptable engineering and geological report and maps on the work done in Stage I nor a plan for work under Stage II. The company was busy with work on its Red Devil mine and asked that the work be recessed. In May 1957 the Operator notified the Field Team that the company did not anticipate

doing any further work for the time being and requested that the contract be removed from active status. The contract was terminated on May 24, 1957, effective as of November 1, 1954. The Termination Agreement provides for royalty payment on production in the same manner as if a certification of discovery had been made.

Amendment No. 1, dated November 16, 1953, provided for extending the termination date of the contract 6 months and permitting a winter recess of 6 months.

Work completed under the contract was reported as 2,620 feet of diamond drilling although the contract provided for only 2,500 feet and the footage of the holes reported totals 2,614 feet. The contract specifies that the holes shall be horizontal. Five of the holes were drilled at angles ranging from plus 27 to plus 45 degrees. As three of these up holes were covered by vouchers which have been paid, it is assumed that all of the drilling was acceptable to the Field Team as complying with contract requirements.

Reserves

The Operator has not made a calculation of reserves, and there is not enough data in the files to make an estimate. The impression gained from available material in the files, especially a letter from the Executive Officer dated October 5, 1955, is that the Field Team was agreeable to entering into Stage II of the contract, indicating that there are inferred reserves and that the Operator will resume active mining sometime in the future.

Summary of Factual Data

Work completed under the contract included the transportation of supplies and equipment to the property, installation of equipment, construction of buildings, cleaning ice from the Lyman tunnel, and cutting diamond drill stations and drilling more than 2,500 feet of diamond drill hole.

The Operator reported that 2,620 feet of diamond drill hole was drilled but the contract authorized not more than 2,500 feet; therefore, the unit price per foot of hole would be $42,000 divided by 2,500 feet or $16.80 per foot.

A second stage in the amount of $39,000 was provided by the contract but the work was not authorized by the Field Team as the Operator did not request it.

The total costs submitted by the Operator were $58,334.03. The disallowances in the final interim and other audits amounted to $16,334.03, leaving $42,000.00 as the total accepted cost. The contract calls for 75 percent participation by the Government.

The work authorized and completed under the contract, according to the audit, was as follows:

Stage I

	Item	Authorized	Total expended
1.	Independent contracts	none	none
2.	Labor, supervision and consultants	$13,075.00	$21,738.03
3.	Operating materials and supplies	4,450.00	6,677.50
4.	Equipment rented	4,225.00	0
	Equipment purchased	8,375.00	8,653.00
5.	Rehabilitation and repairs	500.00	0
6.	New buildings, improvements, etc.	3,000.00	472.50
7.	Miscellaneous	6,530.00	10,746.10
8.	Contingencies	1,845.00	0
		$42,000.00	$48,287.03
	Disallowed - excess over allowable maximum		6,287.03
			$42,000.00

Total amount of contract	$81,000.00
Government's share at 75 percent	60,750.00
Total amount expended (authorized)	42,000.00
Government's participation	31,500.00
Total amount unexpended	39,000.00
Government's share unexpended	29,250.00
Net value of production during contract period	none

All work was on an actual cost basis with allowable maximums.

E. D. Talbert, DMEA auditor, suggested in his Interim Audit Certificate dated April 23, 1955 that the Government's interest in project equipment be waived.

Discussion of Conclusions

The work under the contract was not carried on in a very efficient manner due to the isolated location of the property and the difficulty of obtaining competent labor.

Throughout the life of the contract the Operator was very lax about reporting activity to the Government and in submitting maps and assay data. It is not known whether or not the Operator has information and data which were never submitted. R. S. Velikanje, geologist, U. S. Geological Survey, states in his interim report of August 9, 1954, that "Some of the boxes of core had been spilled and others so jumbled when the divider strips came out during handling and moving around that their value as geologic evidence is worthless." Twelve holes were drilled after Velikanje's examination but there are no drill logs for these holes. The 11 sludge sample assays supplied came from one hole. The missing logs have been requested from the Operator but they have not yet been received.

The Operator's narratives were sketchy, and a memorandum submitted which was titled "Final Report" was unacceptable. In an exchange of letters the present manager, Mr. R. F. Lyman, promised to submit another final report. From an overall standpoint the results and the information obtained by the Government from this project are unsatisfactory.

Enclosures

Distribution:
OME (3)
USBM (5)
USGS (SRO)
Docket
MacKevett

BIBLIOGRAPHY

Cady, W. M., Wallace, R. E., Hoare, J. M., and Webber, E. J., The Central Kuskokwim Region, Alaska: U. S. Geological Survey Professional Paper 268, 1955, 132 pp.

Webber, B. S., Bjorklund, S. C., Rutledge, F. A., Thomas, B. I., and Wright, W. S., Mercury Deposits of Southwestern Alaska: U. S. Bureau of Mines Report of Investigations 4065, 1947, 57 pp.

DRILL HOLE DATA

Station	Hole	Bearing	Vert. angle	Length	
16	1	N	+ 3°	35'	35'
15	1	S 80 E	+ 3°	97'	
	2	N 80 E	+ 2°	105'	
	3	N 60 W	+ 1°	160'	
	4	N 30 W	+ 3°	102'	
	5	N 60 W	+30°	52'	516'
13	1	N 30 W	+ 3°	115'	
	2	N 60 W	+ 3°	100'	
	3	N 32 E	+30°	80'	
	4	N 42 E	+27°	52'	
	5	S 67 E	+ 3°	110'	457'
12	1	S 63 E	+ 3°	125'	
	2	N 60 W	+ 3°	132'	255'
11	1	N 68 W		124'	
	2	S 70 E		149'	273'
10	1	N 70 W		124'	
	2	S 70 E		149'	273'
9	1	N 70 W		125'	
	2	S 70 E		150'	
	3	S 70 E	+45°	25'	
	4	S	+30°	58'	358'
8	1	N 70 W		125'	
	2	S 70 E	+ 3°	150'	275'
7	1	N 70 W		125'	
	2	S 70 E	+ 3°	45'	170'
				2614'	

ASSAY RESULTS
(Sludge Samples)

		% Hg	% Sb
Sludge - Hole 15-1	67-72'	2.38	0.17
	72-77'	0.34	0.10
Hole 15-2	1- 5'	0.06	0.12
Hole 15-3	30-35'	0.20	0.10
	35-40'	0.96	0.17
	40-45'	0.82	0.13
Hole 8-2	0- 5'	0.27	
	10-15'	0.27	
	15-20'	0.27	
	20-25'	0.62	
	25-30'	0.31	
	30-35'	0.17	
	35-40'	0.19	
	40-45'	0.11	
	45-50'	0.13	
	50-55'	0.04	
	55-60'	0.45	

LOGS OF DRILL HOLES

(see copies of logs in pocket)

Hole	15-1	0-97'	
	15-2	0-105'	
	15-3	0-100' 100-160'	
	15-4	0-102'	
	15-5	3-52'	
	13-1	0-115'	
	13-2	0-100'	
	13-3	0-80'	
	13-4	0-52'	
	13-5	0-110'	
	12-1	0-125'	
	12-2	0-130'	
	16-1	0-35'	No log but reported to be in massive graywacke

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

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. - 15-1
Bearing of hole - S 80 degrees E
Dip of hole - Plus 03 degrees

Driller - Pat Coca

Footage	Inches Core Recovery	Max. unbroken core length	Sludge Wt. oz.	Formation	FeS	$CaCO_3$	SiO_2	HgS
1 to 4	27	3 in.	--	gw. few small vugs	--	--	--	--
4 to 9	26	3 in.	--	gw. sh inclusions (breccia)	--	x	--	--
9 to 14	38	3 in.	--	gw. sh interbedded, 4" dike at 14 ft.	x	x	--	--
14 to 19	40	3 in.	--	gw. with small amt. sh	x	x	--	--
19 to 24	58	12 in.	--	gw. with small amt. sh	x	x	--	--
24 to 29	59	8 in.	--	gw.	--	x	--	--
29 to 34	54	8 in.	--	gw. to 31', 2' sandy shale bedding 15°	--	--	--	--
34 to 39	59	3 in.	--	gw, sh, interbedded	--	--	--	--
39 to 44	59	3 in.	--	gw, sh, interbedded, bedding 15°	--	x	--	--
44 to 49	55	3 in.	--	gw, sh, 4" dike at 46'	x	x	--	--
49 to 52	24	3 in.	--	gw, sh	--	x	--	--
52 to 57	38	3 in.	--	gw, sh	--	x	--	--
57 to 62	39	8 in.	--	gw, sh	--	--	--	--
62 to 67	57	8 in.	--	gw, sh	x	x	--	--
67 to 72	24	3 in.	15	gw, sh	--	--	--	x *
72 to 77	36	3 in.	10½	gw, sh	--	--	--	x **
77 to 82	53	3 in.	--	gw, sh, 6" dike at 82'	x	x	--	--
82 to 87	54	8 in.	--	gw, sh	x	x	--	--
87 to 92	47	8 in.	--	gw, sh	--	x	--	--
92 to 97	0	--	--	clay	--	--	--	--

* Two broken fragments of an estimated 30 lbs. Hg per ton of ore. The cinnabar mineralization did not core.

** Trace of cinnabar in calcite stringers at 76 feet.

gw indicates graywacke
sh indicates shale
Dikes are diabase

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. - 15-2
Bearing of hole - N 60° E
Dip of hole - plus 02°

Driller - Pat Coca

Footage	Inches Core Recovery	Max. unbroken core length	Sludge Wt. oz.	Formation	FeS	$CaCO_3$	SiO_2	HgS
1 to 5	16	3 in.	37	gw	--	--	x	x *
5 to 10	56	6 in.	--	gw, calcite stringers	--	x	--	--
10 to 15	57	6 in.	--	gw, 1 ft. sh at 13 to 14	x	x	--	--
15 to 20	14	3 in.	--	gw	--	--	--	--
20 to 25	58	11 in.	--	gw	--	--	--	--
25 to 30	59	16 in.	--	gw	--	x	--	--
30 to 35	42	12 in.	--	gw	--	x	--	--
35 to 40	60	30 in.	--	gw	--	--	--	--
40 to 45	60	22 in.	--	gw	x	x	--	--
45 to 50	56	25 in.	--	gw	x	x	--	--
50 to 54	47	29 in.	--	gw	x	x	--	--
54 to 60	33	16 in.	--	gw (mud seams blocking off bit 57 to 60 ft)	--	--	--	--
60 to 65	44	9 in.	--	gw	--	--	--	--
65 to 70	60	31 in.	--	gw	--	--	--	--
70 to 75	50	23 in.	--	gw	--	x	--	--
75 to 80	58	8 in.	--	gw	--	x	--	--
80 to 85	60	13 in.	--	gw, 1½' sh at 81½' to 83'	x	--	--	--
85 to 90	34	3 in.	--	gw with little sh	--	--	--	--
90 to 95	58	3 in.	--	gw with little shale	--	--	--	--
95 to 100	57	3 in.	--	gw with some shale	--	--	--	--
100 to 105	8	3 in.	--	gw, sh	--	--	--	--

* Trace of cinnabar in two small fragments. Poor core recovery.

gw indicates graywacke
sh indicates shale
$CaCO_3$ shows as fine calcite stringers

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. - 15-3
Bearing of hole - N 60° W
Dip of hole - plus 01°

Drillers - Pat Cocoa; Wm. Quick

Footage	Inches Core Recovery	Max. unbroken core length	Sludge wt. oz.	Formations	FeS	$CaCO_3$	SiO_2	HgS
1 to 5	14	3 in.	--	gw, open fractures	--	--	--	--
5 to 10	24	3 in.	--	gw	--	--	--	--
10 to 15	22	3 in.	--	gw, 1' dike cored 14' to 15'	x	--	--	--
15 to 20	25	3 in.	--	gw, altered 10" dike at 15'	x	--	--	--
20 to 25	33	3 in.	--	gw, altered	x	--	--	--
25 to 30	59	13 in.	--	gw, sh altered to 27'. Dip 25° off normal of hole.	x	--	--	--
30 to 35	28	6 in.	16	gw, sh. Dip 25° off normal of hole	--	--	--	--
35 to 40	33	3 in.	28	shaly gw, dipping 50° off normal of hole	--	--	--	--
40 to 45	28	3 in.	11	sh	x	--	--	x *
45 to 50	52	11 in.	--	sh	x	x	--	--
50 to 55	35	10 in.	--	gw, sh	--	--	--	--
55 to 60	38	3 in.	--	shaley gw and sh, dip 25° off normal to hole	--	x	--	--
60 to 65	24	3 in.	--	gw	x	x	--	--
65 to 70	30	3 in.	--	gw with altered 6" dike at 70'	x	--	--	--
70 to 75	58	3 in.	--	altered gw, sh	x	--	--	--
75 to 80	52	3 in.	--	altered sh and gw	x	--	--	--
80 to 85	47	3 in.	--	altered sh and gw	x	--	--	--
85 to 90	35	6 in.	--	gw, sh, altered 1' dike at 85'	x	--	--	--
90 to 95	42	10 in.	--	porphyry	--	--	--	--
95 to 100	24	3 in.	--	gw, porphyry. Blocking off bit at 99'	--	--	--	--

Note: Hole not completed due mechanical breakdown.

*Fragments of core showing high grade HgS at 44 to 48 feet.
Driller reported several stringers showing up in sludge between 38' and 41'.
He estimated the widest as being 3 to 4 inches.

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. 15-3
Continuation from last report on this hole

Footage	Inches Core Recovery	Max. unbroken core length	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
100 to 105	43	-3	--	porphyry & altered shale	x	--	--	--
105 to 110	6	-3	--	porphyry	--	--	--	--
110 to 115	43	-3	--	altered graywacke	x	x	--	--
115 to 120	32	-3	--	porphyry, altered graywacke and shale	x	--	--	--
120 to 125	37	-3	--	altered shale & gw	x	--	--	--
125 to 130	54	-3	--	altered shale	x	--	--	--
130 to 135	59	-3	--	1.5 ft. altered shale, balance porphyry	x	--	--	--
135 to 140	60	-4	--	porphyry	x	--	--	--
140 to 145	60	-6	--	porphyry	x	--	--	--
145 to 150	54	-3	--	altered shale	x	--	--	--
150 to 157	58	-6	--	altered shale and gw	x	x	--	--
157 to 160	15	-3	--	altered gw, porphyry	x	--	--	--

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. 15-4
Bearing - N 30 degrees W
Dip of hole plus 3 degrees

Drilling Station at
Survey Station No. 15

Footage	Core recovery inches	Max. length unbroken core, in.	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
0 to 8	36	-3	—	altered gw, shale	x	—	—	—
8 to 11	29	-3	—	altered gw, saale	x	x	—	—
11 to 16	46	-8	—	altered gw, shale	x	—	—	—
16 to 21	14	-3	—	gw	x	—	—	—
21 to 27	60	-3	—	altered gw, shale, porphyry	x	—	—	—
27 to 32	59	-6	—	porphyry	x	—	—	—
32 to 37	60	-19	—	porphyry	x	—	—	—
37 to 42	26	-3	—	porphyry, altered gw and shale	x	—	—	—
42 to 47	60	-4	—	altered gw & shale	x	—	—	—
47 to 52	56	-7	—	gw	—	x	—	—
52 to 57	60	-6	—	gw, shale	—	—	—	—
57 to 61	10	-3	—	gw & shale	—	—	—	—
61 to 66	60	-9	—	gw & shale brecciated	x	x	—	—
66 to 71	32	-9	—	gw & shale	—	—	—	—
71 to 76	60	-26	—	gw	—	—	—	—
76 to 81	60	-11	—	gw	—	—	—	—
81 to 84	25	-3	—	gw	—	x	—	—
84 to 89	60	-8	—	gw	—	x	—	—
89 to 94	60	-3	—	altered porphyry	x	—	—	—
94 to 99	60	-5	—	altered porphyry, gw	x	x	—	—
99 to 102	28	-3	—	altered gw & shale	x	x	—	—

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. 15-5
Bearing - N 30 degrees W
Dip of hole plus 30 degrees

Drilling Station at
Survey Station No. 15

Footage	Core recovery inches	Max. length unbroken core	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
3 to 8	42	-3	--	gw & shale	--	--	--	--
8 to 13	55	-3	--	gw & shale, mostly shale	--	--	--	--
13 to 16	22	-3	--	shale & gw	--	--	--	--
16 to 21	58	-3	27	gw & shale	--	--	--	x
21 to 28	62	-8	57	gw & shale	--	--	--	x
28 to 31	20	-3	--	gw & shale	--	--	--	--
31 to 33	24	-8	--	gw	--	--	--	--
33 to 37	24	-3	--	gw & shale	--	--	--	--
37 to 42	52	-8	--	shale & gw, bedding normal to hole	--	--	--	--
42 to 47	52	-6	20	shale & gw	--	--	--	x
47 to 52	55	-8	--	gw & shale	--	--	--	--

Note:

At 20 foot mark 9 inches low grade.
From 21 foot mark to 28 foot mark low grade ore total length.
At 44 foot mark 11 inches low grade ore.

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No: 13-1
Bearing: N 30 W
Dip: +30

Footage	Core Recovered Inches	Max. length Core pieces	Sludge Wt. Oz.	Formation	HgS
1 to 4	18	-2		Gw and shale	-
4 to 9	36	-5		Gw and shale	-
9 to 14	60	-6		Altered gw and shale	-
14 to 19	60	-12		Altered gw and shale	-
19 to 20	12	-5		Altered gw and shale	-
20 to 23	36	-5		Altered shale	-
23 to 25	24	-3		Altered shale	-
25 to 30	30	-4		Altered gw and shale; porphyry	-
30 to 35	40	-4		Porphyry	-
35 to 38	36	-4		Porphyry	-
38 to 43	40	-6		Porphyry	-
43 to 48	50	-6		Porphyry	-
48 to 80				Scrambled; porphyry at around 70 feet. Gw and shale at 70 to 80 ft.	-
80 to 85	-60	-22		Gw and shale, mostly shale	-
85 to 90	60	-20		Gw and shale	-
90 to 95	60	-15		Gw and shale	-
95 to 100	60	-30		Gw and shale	-
100 to 105	60	-12		Porphyry to 102½ ft., then gw	-
105 to 110	60	-4		Gw	-
110 to 115	60	-8		Gw and shale	-

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No: 13-2
Bearing: N 60 W
Dip: +30

Footage	Core Recovered Inches	Max. length Core pieces	Sludge Wt. Oz.	Formation	HgS
1 to 4	30	-6		Gw	-
4 to 9	48	-6		Altered gw and shale	-
9 to 13	30	-3		Altered gw and shale	-
13 to 18	54	-3		Altered gw and shale	-
18 to 23	54	-12		Altered gw and shale	-
23 to 28	60	-6		Altered gw and shale	-
28 to 33	60	-8		Altered gw and shale	-
33 to 38	60	-8		Porphyry	-
38 to 43	60	-8		Porphyry	-
43 to 48	60	-12		Porphyry	-
48 to 51	36	-8		Porphyry	-
51 to 55	48	-8		Porphyry	-
55 to 60	60	-6		Porphyry	-
60 to 65	60	-6		Porphyry to 62 feet, then gw & shale	-
65 to 70	60	-3		Altered gw and shale	-
70 to 75	60	-6		Altered gw and shale	-
75 to 80	60	-8		Gw and shale to 79 feet, then porphyry	-
80 to 85	60	-8		Porphyry to 82½ feet, then gw and shale	-
85 to 90	60	-3		Gw and shale, altered	-
90 to 95	60	-4		Gw and shale, altered	-
95 to 100	60	-16		Gw and shale, altered	-

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No: 13-3
Bearing: N 32 E
Dip: +30°

Footage	Core Recovered Inches	Max. length Core pieces	Sludge wt. oz.	Formation	HgS
1 to 3	24	-2		Gw and shale	-
3 to 6	36	-4		Gw and shale	-
6 to 11	60	-6		Gw and shale	-
11 to 16	60	-8		Gw and shale	-
16 to 21	60	-6		Gw and shale	-
21 to 26	60	-6		Gw and shale; porphyry at 25 ft.	-
26 to 31	60	-8		Porphyry to 30 ft.; then gw and shale	-
31 to 36	60	-6		Gw and shale	-
36 to 41	60	-6		Gw and shale	-
41 to 46	60	-8		Gw	-
46 to 51	60	-8		Gw and shale	-
51 to 55	48	-8		Gw and shale	-
55 to 60	60	-6		Gw and shale	-
60 to 63	36	-3		Gw and shale	-
63 to 67	48	-6		Gw and shale	-
67 to 72	48	-3		Gw and shale	-
72 to 77	56	-12		Gw and shale	-
77 to 80	36	-4		Gw and shale	-

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No: 13-4
Bearing: N 42 E
Dip: +27°

Footage	Core Recovered Inches Pieces	Max. length Core	Sludge Wt. Oz.	Formation	HgS
1 to 4	36	-3		Gw and shale	-
4 to 9	60	-6		Gw and shale, porphyry at 8 to 10 feet	-
9 to 14	60	-4		Gw and shale	-
14 to 19	54	-8		Gw and shale	-
19 to 23	44	-8		Gw and shale; porphyry at 18 to 22 feet	-
23 to 26	30	-8		Gw and shale; porphyry at 25 to 26 feet	-
26 to 31	60	-6		Gw and shale; porphyry at 29 to 30 feet	-
31 to 36	60	-14	10	Gw and shale	x *
36 to 42	60	-6		Gw and shale	-
42 to 47	60	-6		Gw and shale	-
47 to 52	48	-14		Gw and shale	-

* at 35½ feet.

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No: 13-5
Bearing: S 67 E
Dip: +3°

Footage	Core recovered Inches	Max. length Core Pieces	Sludge Wt. Oz.	Formation	HgS
1 to 5	48	-10		Gw	-
5 to 10	24	-12		Gw and shale	-
10 to 15	60	-8		Gw and shale	-
15 to 20	60	-12		Gw	-
20 to 25	60	-18		Gw	-
25 to 30	60	-24		Gw	-
30 to 35	60	-36		Gw	-
35 to 39	48	-12		Gw and shale	-
39 to 44	60	-22		Gw and shale	-
44 to 49	60	-8		Gw	-
49 to 53	38	-8		Gw; calcite breccia	-
53 to 58	60	-4		Gw and shale; calcite breccia	-
58 to 63	60	-4		Gw and shale	-
63 to 68	60	-6		Gw and shale	-
68 to 73	60	-8		Porphyry to 71 feet; gw and shale	-
73 to 78	60	-6		Gw and shale	-
78 to 83	54	-8	18	Gw and shale	x *
83 to 88	60	-7	16	Gw and shale	x **
88 to 93	12	-1		Gw and shale	-
93 to 98	60	-12		Gw and shale; 20 inch porphyry dike at 97 feet.	-
98 to 103	54	-6	20	Gw and shale	x ***
103 to 108	48	-15		Gw and shale	-
108 to 110	20	-5		Gw and shale	-

* 4 inch showing at 82 feet.
** 2 inch showing at 86 feet.
*** low grade at 102 to 103 feet.

DeCoursey Mt. Mine
Station #12
D. D. Hole #1

Footage	Description
0.0' - 6.3'	Altered diabase porphyry. Iron stain along fractures. Heavy limonite weathering at 4.6' - 5.0'. Minor pyrite disseminated throughout. Moderately sharp contact at 6.3' with contact at 45° to core.
6.3' - 8.0'	Shale. Pyrite disseminated and in minute veinlets. Sharp contact at 8.0' @ 45° to core.
8.0' - 12.7'	Altered diabase porphyry. Minor pyrite and very minor limonite. Breccia contact.
12.7' - 15.2' 15.2' - 16.0'	Shale. Minor pods and veinlets of feldspar. Graywacke. Breccia contact. Heavy pyrite at contact.
16.0' - 19.8'	Rhyolite porphyry. Mostly heavily weathered and containing abundant limonite.
19.8' - 20.0'	Shale.
20.0' - 20.2'	Same as 16.0' to 19.8'.
20.2' - 35.0'	Shale. Minor graywacke beds.
35.0' - 37.1'	Graywacke. Limonitic sandstone 36.6' - 37.1'.
37.1' - 48.0'	Shale. Minor graywacke beds. Shale - graywacke breccia at 40.8' and 42.0'. Narrow quartz stringers at 45.6' to 45.8'.
48.0' - 55.0'	Limonite stained altered diabase porphyry. Sharp contact.
55.0' - 91.0'	Graywacke. Some minor shale beds. Weathered zone at 66.5' - 67.0'. Limonite stain 69.2' - 69.4'. Limonitic sandstone 83.2' - 83.4'. Some silicification around 81' mark. Poor core recovery.

DeCoursey Mt. Mine
Station #12
D. D. Hole #1

Footage	Description
91.0' - 107.0'	Limonitic graywacke with minor limonitic sandstone beds.
107.0' - 125.0'	Siltstone with minor limonite staining. Uncertain and gradational contacts between graywacke and siltstone.

No cinnabar observed in core. Core in general badly broken - probably due to poor drill operation.

Shales generally very black.

DeCoursey Mt. Mine
Station #12
D. D. Hole #2

Footage	Description
0.0' - 10.0'	Black shale
10.0' - 15.5'	Altered diabase porphyry. Zones of limonite stain. Minor serpentine and minor feldspar veinlets.
15.5' - 18.0'	Talc zone. Almost 100% core loss.
18.0' - 21.2'	Altered diabase porphyry.
21.2' - 24.6'	Shale. Weathered zone at 23.7'.
24.6' - 38.0'	Altered diabase porphyry. Weathered zone at 34.0'.
38.0' - 39.0'	Graywacke
39.0' - 44.0'	Altered diabase porphyry. Pink feldspar pod at 43.1'
44.0' - 52.0'	Graywacke
52.0' - 93.0'	Shale. Black mud zone at 69.4'.
93.0' - 95.0'	Shale and graywacke. Faint banding and gradational contacts.
95.0' - 99.0'	Shale - graywacke containing abundant limonite zones and feldspar veinlets.
99.0' - 102.8'	Graywacke
102.8' - 113.2'	Shale
113.2' - 114.8'	Graywacke
114.8' - 118.0'	Shale
118.0' - 118.5'	Graywacke
118.5' - 121.0'	Shale

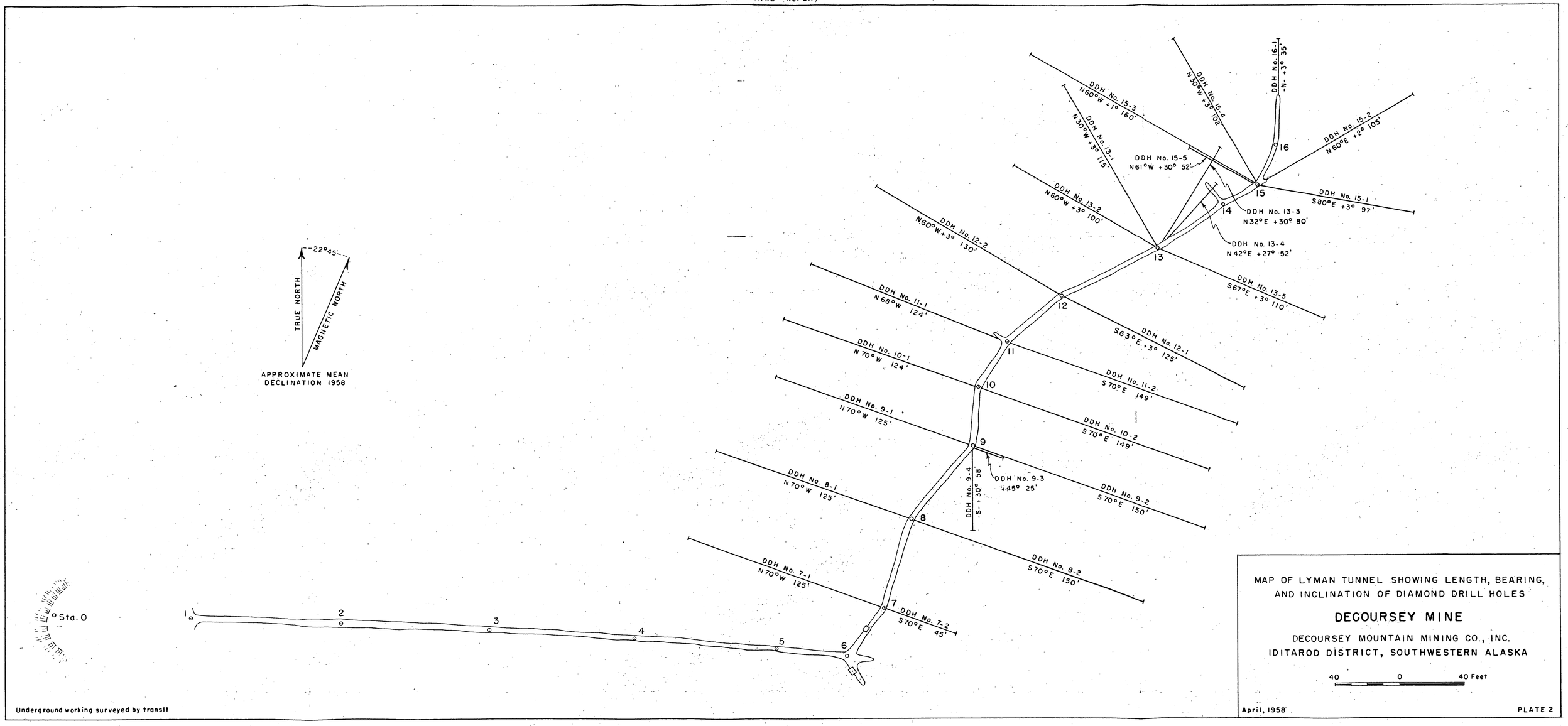
DeCoursey Mt. Mine
Station #12
D. D. Hole #2

Footage	Description
121.0' - 124.0'	Graywacke
124.0' - 125.0'	Shale
125.0' - 130.0'	Graywacke. Minor quartz stringers at 128'.

Good overall recovery of core. No megascopically visible cinnabar throughout the core.

Logged by

R. S. Velikanje
Geologist
U. S. Geological Survey



MAP OF LYMAN TUNNEL SHOWING LENGTH, BEARING, AND INCLINATION OF DIAMOND DRILL HOLES

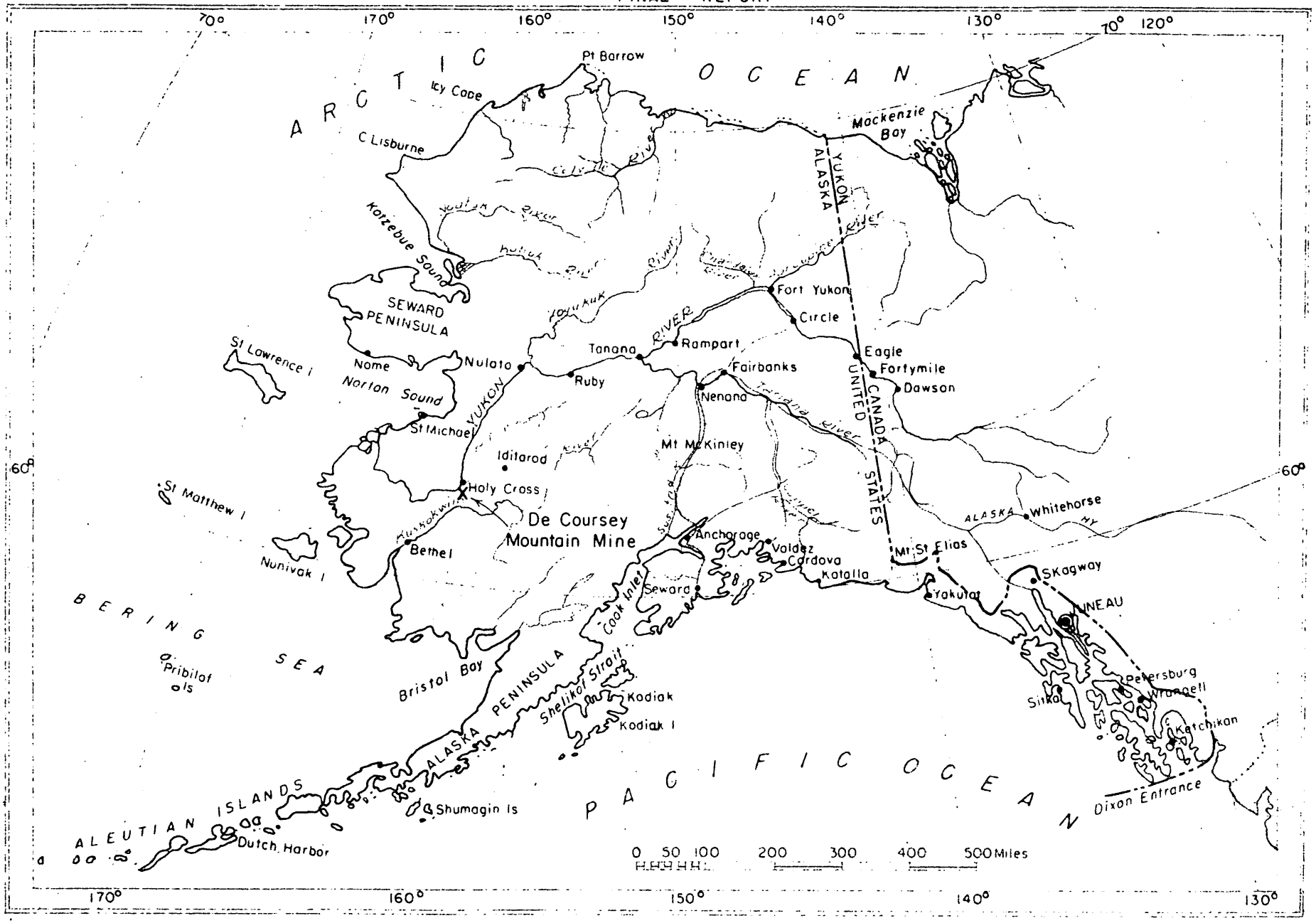
DECOURSEY MINE

DECOURSEY MOUNTAIN MINING CO., INC.
IDITAROD DISTRICT, SOUTHWESTERN ALASKA

40 0 40 Feet

April, 1958

PLATE 2



INDEX MAP OF ALASKA showing the location of the De Coursey Mountain Mine

Fig. 1

DMEA(2)

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 22 1958

DATE	INITIALS	CODE
8/24	9.9.	226
8/25	6EG	800
8/25	WGM	400

So. 157 Howard Street
Spokane 4, Washington
August 18, 1958

Air Mail

Mr. Robert F. Lyman, Manager
DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Lyman:

This will acknowledge the statement dated August 5, 1958, titled "Operator's Final Report," and the accompanying map which were prepared by Gordon W. Herreid, Geologist.

We regret to say that these do not constitute an acceptable final report as called for under Article 7(b) of the contract. The Operator's final report should be a geological and engineering report covering all phases of the contract work. It should be detailed enough to adequately describe the work accomplished by the contract and the results obtained.

We have no drill hole logs of cores or assays on the last 12 holes and very few assays on the first holes. The map showing the location of the drill holes is satisfactory, but we should have in addition a descriptive drill hole log of each hole giving measurements, rock types, mineralization and assays, as well as assay report sheets.

Your letter of March 26, 1958, referred to the matter of preparing this final report and logging the cores of the last 12 holes and we trust you will be able to do this soon so that the account can be closed.

By Field Team, Region I

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Donald R. MacLaren, Acting Member
U. S. Geological Survey

cc: DMEA(2)
USGM(2)

RECEIVED
DMEA
AUG 22 1958
DATE | INITIALS | CODE

OPERATOR'S FINAL REPORT

DMEA No. 2742 540
Contract No. Idm-E 570

DeCoursey Mountain Mining Co., Inc., Red Devil, Alaska
DeCoursey Mountain Mine
Iditarod District
Alaska

Summary of Project

Started - March 31, 1953

Terminated - November 1, 1954

Work Completed - Maximum allowable cost to operator

2500 ft. diamond drilling - - - - - - $ 42,000
(plus 135 ft. done at operators expense)

For breakdown of costs see Interim Audit Certificate of DMEA Contract, Administration and Audit Division dated April 23, 1955.

Geologic Features of Project

No ore zones of sufficient continuity to permit calculation of ore reserves were discovered. All logs and assay data are shown on the accompanying map, entitled DeCoursey Mountain Mine, Diamond Drill Holes, Lyman Adit. Included on this map are the 11 holes drilled from stations 13, 15 and 16 totalling 1008 ft. whose logs were submitted to the DMEA by March 1955.

Plans for future operations - None.

Gordon W Herreid
Gordon W. Herreid, Geologist

August 5, 1958

1201 N. Division Street
Spokane 2, Washington

July 25, 1958

CENTRAL FILE COPY DMEA RECEIVED JUL 31 1958		
DATE	INITIALS	CODE
7/31	C	220
8/1	[illegible]	800
	WSM	400

AIR MAIL

DMEA

DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (mercury)
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-2540

Gentlemen:

In reply to your letter of July 17, 1958, we are sending you a copy of the last interim audit, dated April 23, 1955, which lists the pertinent data in connection with total amounts submitted on MF-104s, auditor's disallowances, and sum due you. This audit shows that the amounts vouchered under Stage I of the contract greatly exceeded the allowable limit. It will therefore not be necessary for you to submit a final voucher as the amount of $42,000, specified in the contract for Stage I work, has been taken as the accepted cost and no costs exceeding this amount are acceptable.

You requested copies of the previous vouchers so that you could prepare your final report on the project, but this would require considerable time and expense which hardly seems justified as the audit should give you the necessary fiscal information.

As stated on page 7 of the audit, the sum of $5,345.62 has been held up pending receipt of an acceptable final engineering report from you. Attached is a copy of an outline to be followed in writing the report. We will also require logs of the last 12 diamond drill holes that were completed and vouchered for payment.

By Field Team Region I

cc: DMEA (2)
USGS (2)
AD

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Donald R. MacLaren, Acting Member
U. S. Geological Survey

RECEIVED
BUREAU OF MINES
JUL 21 1958
SPOKANE, WASH.

De Courcy Mountain Mining Co., Inc.

RED DEVIL, ALASKA

Mail: Red Devil

July 17, 1958

Defense Minerals Exploration Admin.
1201 N. Division Street
Spokane 2, Washington

Ref: Docket No. MMA 2742
Contract No. Idm-E540

Gentlemen:

While preparing a final report on the DeCourcy Mountain diamond drilling project we discovered we do not have the previous vouchers in our files. Would it be possible for your office to send us copies of the previous vouchers so that we can complete this report and send you the vouchers for the final work?

Sincerely,
DeCourcy Mt. Mining Co.

Dorr Holloway

Dorr Holloway, Engineer

RECEIVED
BUREAU OF MINES
MAR 31 1958
SPOKANE, WASH.

De Coursey Mountain Mining Co., Inc.

RED DEVIL, ALASKA

MINE: Red Devil

March 26, 1958

WSM

Messrs. A. F. Weissenborn & W. G. Agnew
Defense Minerals Exploration Administration
1201 N. Division Street
Spokane 2, Washington

Re: Locset No. LMFA-2741
De Coursey Mt. Mine
Contract No. Idm-E140

Gentlemen:

The information requested in your letter of March 5th on the DeCoursey Mountain mine is not entirely available in this office. As you know the company has had several managers since the diamond drilling was done at the DeCoursey Mine.

I believe with what information we do have here it will be possible to write up the summary report on Stage I work as soon as I can log the cores of the last 12 holes. As you know these cores are at the DeCoursey Mountain property and if the logs on these holes are not also there, I shall log them myself.

No one has been on the property since last summer. I am planning to fly over there as soon as the field is available for wheel landings, which will not be until May. At that time I hope to be able to complete the final report.

No production has been made from the mine since the close of the project.

Sincerely,
DeCoursey Mountain Mining Co.

Robert F. Lyman

Robert F. Lyman, Manager

4/16
4/10
WSM
226
226
4/22

RECEIVED
APR 1 1958
U. S. G. S.
SPOKANE, WASH.

1201 N. Division St.
Spokane 2, Washington

3/10 3/11 220 800 400 WSM

March 5, 1958

Air Mail

DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Gentlemen:

In order that we may close our books on the cited contract we would like to receive your final engineering and geological report summarizing the results of Stage I work. We are currently withholding $5,345.62 due you for work completed on the project.

Also, we do not have logs of the last 12 diamond drill holes that were completed and vouchered for payment.

Until we receive the above requested material we will be unable to release the money due you.

In addition, we would appreciate knowing if there was any production from the mine since the close of the project. If there was a production, please inform us of the quantity and disposition of same.

Your cooperation in these matters will be greatly appreciated.

By Field Team, Region I

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

cc: DMEA (2)
USGS (2)
USBM (AD)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED APR 10 1958

DATE	INITIAL	CODE
4/16	C	220
4/15	Com	100
"	JCJ	110
4/18	EEB	111
	WSM	401

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: May 24, 1957 to December 31, 1957

Date of report: March 15, 1958

Operator: DeCoursey Mountain Mining Company
P. O. Box 523, Anchorage, Alaska

Mine name: DeCoursey Mountain Mine

District: 4th Judicial Division, Territory of Alaska

Docket number and commodity: DMEA-2742 (mercury)

Contract number: Idm-E540

Date of contract: June 2, 1953

Date of certification: May 24, 1957 (in Termination Agreement)

Expiration date of royalty payments: June 2, 1963

Total amount of contract: $81,000.00

Total expenditures under contract: 42,000.00

Amount of Government participation at 75%: 31,500.00

Royalty payments this period: none

Previous royalty payments: none

Total royalty payments to date: none

Percent Government participation repaid: none

Royalty due on production to date: none

Royalty remarks: none

Original estimate of DMEA reserves:
(from Field Team final report)

No estimate was made by the Operator and the Field Team does not have data to make an intelligent estimate; however, as the Field Team was agreeable to entering Stage II of the contract, apparently there are inferred reserves.

Production remarks: Prior to the DMEA contract the property had produced an estimated 1500 flasks of mercury, principally in the years 1942 to 1946.

Signed: E. W. Parsons (Engineer)

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

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

September 24, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 27 1957

DATE	INITIALS	CODE
9/27	B	220
9/30	WSM	400

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

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of the Agreement terminating Contract No. Idm-E540.

Other copies of the agreement have already been distributed.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, REgion I

Enclosures

cc: USBM (2)
USBM (AD)
MacKevett

Termination agree.

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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
9-16	C	220
9/16	WSM	400

September 12, 1957

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

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Selfridge:

In further reference to your letter of August 26, 1957, there are enclosed two copies of a letter dated September 9, 1957, from Mr. Velikanje in which he replies to our letter of September 4, 1957.

As soon as we receive the signed Termination Agreement, we will forward it to you.

Sincerely yours,

Donald R. MacLaren

Donald R. MacLaren
Alternate Acting Exec. Officer
DMEA Field Team, Region I

Enclosures

cc: USBM (2)
USBM (AD)
MacKevett w/copy of encl.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1957

DATE	INITIALS	ROUTE
9/16	WSM	[illegible]

ROUTE TO	ACTION
[illegible]	
CL	

[illegible]

[illegible] Information, Supplies Officer
[illegible] Minerals Exploration Administration,
Rm. 157 Post's Street,
Spokane, Washington

[illegible] Director)
[illegible] Mining Co., Inc.
[illegible] Mountain Mine
[illegible] Lease No. [illegible]

Dear Sir:

[illegible]

OFFICIAL FILE COPY DMEA RECEIVED SEP 16 1957		
DATE	INITIALS	CODE
9-16	C	220
9/16	[illegible]	800
9/16	WSM	400

So. 157 Howard Street
Spokane 4, Washington

Air Mail

September 12, 1957

Mr. R. S. Velikanje, Manager
DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
Contract No. Idm-E540

Dear Mr. Velikanje:

Thank you for your prompt reply to our letter of September 4, 1957.

We sent you copies of MF104's and 104A's for August and September 1955 and for July through December 1956 on September 9, 1957, and trust you have received them by now.

Enclosed is a copy of the contract and Amendment No. 1 which you request. Amendment No. 2 was returned to Lorain, unsigned by the company; therefore, I am not including it.

The second clause in Item 3 of the Termination Agreement refers to Article 7(d) of the contract.

Sincerely yours,

Donald R. MacLaren
Alternate Acting Exec. Officer
DMEA Field Team, Region I

Enclosures

cc: DMEA (2)
USBM (2)
USBM (AD)
MacKevett

OFFICIAL FILE COPY
DMEA
RECEIVED

DATE		
9/9	Q	220
9/9	[illegible]	800
9/9	WSM	400

So. 157 Howard Street
Spokane 4, Washington

Air Mail

September 4, 1957

Mr. Robert S. Velikanje, Manager
The Red Devil Mine
DeCoursey Mountain Mining Co., Inc.
Red Devil, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Bob:

We have had an inquiry from the Washington office of the DMEA asking the whereabouts of the proposed Termination Agreement for the DeCoursey Mountain mine. According to our records this was sent by Herdlick to Mr. John D. Murphy at Red Devil on June 3, 1957.

Will you please check into this and let us know the status of this Termination Agreement.

Sincerely,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: DMEA (2)
USBM (2)
USBM (AD)
MacKevett

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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957

DATE	INITIALS	CODE
9/9	G	220
9/9	WSM	400

September 4, 1957

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

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Selfridge:

In reply to your letter of August 26, 1957, we have no information on the Termination Agreement for the DeCoursey Mountain mine with the DeCoursey Mountain Mining Company, Inc., contract, except that on June 3, 1957, the Agreement was sent to the company at Red Devil by J. A. Herdlick. We are writing Mr. Velikanje, the present manager, asking him about the Termination Agreement.

Sincerely yours,

A E Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: USBM (2)
USBM (AD)
MacKevett

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-22	Chapman	400
8-22	Martin	400
8/23	GCS	130
"	Johnson	110
"	Rotenberg	100
8/26	P	220
		400

AUG 26 1957

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

Re: Docket No. DMEA 2742 - Mercury
DeCoursey Mountain Mining
Company, Inc.
DeCoursey Mountain mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Weissenborn:

Reference is made to our letter of May 27, 1957, to Mr. S. H. Lorain, in which we enclosed the original and five copies of a "Termination Agreement" for the above-noted contract. We have not yet had a reply on the subject. At your earliest convenience please check on this matter and advise us of any action taken on the agreement.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

APPROVED:

O. M. Bishop (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

TLCHAPMAN:foc 8-22-57
cc to: Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-16	Chapman	400
5-16	Martin	400
5-17	Chandler	800
5/24	GCS	130
		~~110~~
5/27	Butterdorf	1000
		220
		400

MAY 27 1957

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA 2742 - Mercury
DeCoursey Mountain Mining Company, Inc.
DeCoursey Mountain mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Lorain:

Enclosed are the original and five copies of a "Termination Agreement" for the above-referenced contract, signed by the Administrator for the Government.

If the conditions and terms of this proposed agreement are satisfactory to you and the Operator, all six copies are to be signed by the Operator and the usual distribution made.

If any of the conditions and terms of the proposed agreement do not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (HB)
Member, Geological Survey

TLCHAPMAN:foc 5-16-57
cc to: Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. I - Alaska Dist.
Messrs, J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

P.S. Two additional copies of the agreement are enclosed for use by the Field Team. Disposition of equipment is not required. See page 7 of April 23, 1955, Audit Certificate.

8623

DEPARTMENT OF THE INTERIOR
Office of the Solicitor

Date MAY 21 1957

Referred to: Mr. Martin, DMEA

From: Assoc. Solr. Dwyer

For: Information and retention _____

Information and return _____

Necessary action ~~and return~~ ✓

Comment and return _____

Distribution in office or region _____

Remarks:

(Signature)

1. Change effective date to November 1, 1954 (Local audit included costs through October 31, 1954)

2. Include a provision to the effect that the Govt. waives its interest in all property acquired under the contract. (This will save the useless procedure, in this case, of disposing of the property, part of which was allocated by fire, crediting proceeds to project costs, then allowing offsetting additional acceptable costs, heretofore disallowed as being in excess of the allowable maximum for Stage I.)

Interior
Sanger
"Appd. Sol. Off."
Chapman
Martin

TERMINATION AGREEMENT

It is agreed this _____ day of _____ , 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government" and DeCoursey Mountain Mining Company, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E540 (Docket No. DMEA-2742), dated June 2, 1953, as amended, hereinafter called the "Contract," that:

1. Effective ~~October 31,~~ Nov. 1 1954, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date.

3. The Operator shall ~~promptly perform all winding up and settlement actions provided for in the contract, including the~~ render~~ing of the~~ a final report ~~and final account,~~ as provided in the contract and shall preserve records

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said contract, except as otherwise provided in this termination agreement.

5. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions as if certification of discovery or development had been made, such certification being hereby waived.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

DeCOURSEY MOUNTAIN MINING COMPANY, INC.

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

P. O. Box 2688
Juneau, Alaska

May 17, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 20 1957

DATE	INITIALS	CODE
5/20	C	220
5/20	WSM	400

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

Subject: Termination of Contract.
Docket No. DMEA-2742 (mercury)
DeCoursey Mt. Mining Co.,
Contract No. Idm-E540.

Enclosed is a copy of a letter just received from Mr. Murphy in reply to my letter of April 22. You will note that he states that they do not propose to do any work on this project but he ignores (probably because he has forgotten about it) our earlier correspondence with regard to default of contract.

I will not reply to this letter pending your instructions to reply or to let your office reply.

S. H. Lorain

Enclosure-1

cc: Velikanje
Herdlick
Wilcox

5-20-56
Termination being remitted

-C-O-P-Y-

De Coursey Mountain Mining Co., Inc.

Red Devil, Alaska

Mine: Red Devil

OFFICIAL FILE COPY DMEA RECEIVED MAY 20 1957		
DATE	INITIALS	CODE
5/20	WSM	400

May 11, 1957

S. H. Lorain
D.M.E.A.
P. O. Box 2688
Juneau, Alaska

Dear Mr. Lorain:

With regard to your letter of April 22, 1957. Regarding Docket No. DMEA-2742, when Mr. Holbrooke talked with you in Juneau, he was supposed to tell you that we did not anticipate any further work this year.

This Docket should be removed from active status.

Yours truly,

DeCoursey Mountain Mining Co., Inc.

/s/ John D. Murphy

John D. Murphy
Manager

JDM:aw

DMEA F[illegible]m 7
(12-56[illegible])

OFFICIAL FILE COPY

Date	Surname	Code
5-8	Chapman	400
5-8	Martin	400
		140
		140
		220
		400

May 8, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 2742 - Mercury
DeCoursey Mountain Mining Company, Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Attached is a rough draft of a Termination Agreement for the above-captioned contract for your use in preparing in final form.

W. S. Martin

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

TLCHAPMAN:foc
5/8/57
cc to: Docket
Chron. file

8623

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government" and DeCourcey Mountain Mining Company, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Ida-E540 (Docket No. DMEA-2742), dated June 2, 1953, ~~and Amendment thereto~~ as amended, hereinafter called the "Contract", that:

1. Effective Oct. 31, 1954, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date~~, and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding up or settlement actions provided for in the Contract, including (1) the preservation and disposal of property to cost of which the Government has contributed, and (2) the rendering of the final report and final account.~~

~~3. Any work or operations prosecuted or costs incurred by the Operator beginning with effective date, except as otherwise provided for in this termination agreement shall be for the sole account of the Operator, without contribution by the Government.~~

3. The Operator shall promptly perform all winding up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

6. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if certification of discovery or development had been made, such certification being hereby waived.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

DeCOURSEY MOUNTAIN MINING COMPANY, INC.

By_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED APR 25 1957

DATE	INITIALS	CODE
4/25	C	220
4/25	[illegible]	800
4/26	WSM	400

P. O. Box 2688
Juneau, Alaska

April 22, 1957

Mr. John D. Murphy, Manager,
DeCoursey Mountain Mining Co.,
Red Devil, Alaska.

re: Docket No. DMEA-2742 (mercury)
DeCoursey Mountain Mining Company
Contract No. Idm-E540

Dear Mr. Murphy:

Since before DeCoursey-Brewis took over the Red Devil-DeCoursey Mountain operations, DMEA has held open the DeCoursey Mountain Docket DMEA-2742 on the yearly expectation that the company would resume work and complete the contract. Now the open season will soon be here again; if work is to be resumed the program should be submitted for approval - along with the data obtained from the First Stage program. If work is not to be resumed this year, DMEA will have to take steps to remove the docket from active status.

Will you please let us know what you want to do about this project.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Mr. Ray Wolfe (Anchorage)
Operating Committee
Herdlick
Velikanje

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXTRA COPY
DMEA
RECEIVED APR 25 1957

DATE	INITIALS	CODE
4-25	C	220
4/26	WSM	400

P. O. Box 2688
Juneau, Alaska

April 22, 1957

George C. Selfridge, Chairman,
Operating Committee,
Defense Minerals Exploration Admin.,
Department of the Interior,
Washington 25, D.C.

Dear Mr. Selfridge:

In reply to your letter of April 17, the status of the final report on the two projects is as follows:

1. Docket No. DMEA-842, Zenda Gold Mining Co.: As so frequently happens, the time required for completion was underestimated - in this case largely because some earlier reserve estimates had to be re-calculated. Mr. Thorne is working on it almost full time and expects to have it out within about two weeks.

2. Docket No. DMEA-3831, Moneta Porcupine Mines, Ltd.: Mr. Velikanje has been working on this and says that he expects to have it finished by the middle of May. It seems that the Survey is keeping him so busy with arrangements for the summer field parties that his office hours for DMEA are a bit uncertain.

I will write DeCoursey and see if I can get anything out of them about Docket No. 2742. It's a tough job to get any satisfactory information out of that bunch; the only good thing about them is that they keep sending in the royalties (we got another $3,000 this morning).

Yours sincerely,

S. H. Lerain,
Executive Officer,
Alaska District,
Region I.

cc: Velikanje
Herdlick
Thorne

2742

400

Mr. R. E. Lemke, Executive Officer
DMEA Field Team, Region I
Alaska District
P. O. Box [illegible]
Juneau, Alaska

Dear Mr. Lemke:

Since receiving your letter of April 9, 1957, informing Mr. Hillsgaard of your appropriate subcommittee, we have reviewed the status of the Alaskan Final Field Team Reports and have noted:

1. Docket No. DMEA-[illegible] - Denali Gold Mining Company. A memorandum dated March 21, 1957, indicated we took the Final Field Team Report would be furnished in one month.

2. Docket No. DMEA-[illegible] - Kenai Peninsula Mines, Inc. The Final Field Team Report is pending on this recently terminated contract.

Will you please inform us of the status of these two reports.

Should you even learn that Dolomite Mountain Mining Company, Inc., does not intend to pursue the project under Docket No. DMEA-[illegible], it might be well to consider a final report for this project, anticipating that the contract will be terminated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Director, Bureau of Mines

Thor H. Kiilsgaard

Director, Geological Survey

GCSelfridge/mf - 4/27/57
Copy to: Docket - DMEA-[illegible]
DMEA-[illegible]
DMEA-[illegible]
Admr. Bund. File
Operating Committee
T. H. Kiilsgaard, USGS
F. D. Lamb, USBM
G. C. Selfridge

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

1/14 4117 800 225

P. O. Box 2688
Juneau, Alaska

January 8, 1957

Mr. K. J. Benner, Manager,
DeCoursey Mountain Mining Co.,
Red Devil, Alaska.

re: Docket No. DMEA-2742 (mercury)
DeCoursey Mt. Mine
DeCoursey Mt. Mining Co.,
Contract No. Idm-R540

Dear Mr. Benner:

You will recall that, on May 21, 1956, I sent you a proposed amendment looking toward renewal of exploration work at DeCoursey Mountain under the referenced contract. On July 25 you returned the several copies of the proposed amendment to me and stated that you would not be able to undertake the work at DeCoursey Mountain during that season but that you hoped to be able to renew the contract at a future date.

Our Washington office has asked me to find out if you have any plans for the DMEA contract at DeCoursey Mountain this year. As it now stands you are in default of contract but I gather that, if you wish to execute a "termination agreement", DMEA probably will agree provided you submit a suitable final report on Stage I and make suitable disposition of the equipment that was purchased for the project.

Inasmuch as this contract was signed, originally, in June 1953 for completion within 12 months, I think that the Government has been very tolerant in regard to putting on pressure but it does seem that we must come to a definite decision one way or the other within the near future.

We have been noting, with pleasure, the good production that has been coming from the Red Devil; we hope that 1957 brings increasing success.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Operating Committee
Velikanje
Wilcox
Mr. Wolfe

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 140
WASHINGTON 25, D. C.

Dwyer
Holt
Martin
Selfridge
Whitenberg

2 JAN 1957

Mr. S. E. Lorain, Executive Officer
DMEA Field Team, Region I, Alaska District
P. O. Box 2655
Juneau, Alaska

Re: Docket No. DMEA-27[illegible] (Mercury)
DeCourcey Mountain Mining Company, Inc.
DeCourcey Mountain Mine
4th Judicial Division, Alaska
Contract No. DMa-2540

Dear Mr. Lorain:

Reference is made to your letter of December 18, 1956, replying to our letter of November 16, and mentioning that work under Stage I of the above subject contract has been completed, but that Stage II work has never been authorized because the Operator never submitted a specific plan for such work.

It was not our intention to suggest that if work had not been pursued you should demand that the Operator return Government money paid under the contract. We merely wished to outline the steps that could have been taken by the Government. The last paragraph of our letter requested that you learn whether the Operator would be willing now to sign an amendment similar to the Amendment No. 2 which he previously refused to sign. If the answer is negative, we would like to know whether the Operator desires to execute a Termination Agreement.

We shall advise you of further action to take in this matter based upon your response.

Sincerely yours,

George C. Selfridge
(By eq)
Chairman, Operating Committee

APPROVED:

Frank D. Lamb
(By eq)
Member, Bureau of Mines

Thor H. Kiilsgaard (By eq)
Member, Geological Survey

SPHolt/HCRubin/wog
December 28, 1956
Copy to: DMEA Docket
Operat. Com.
Field Team, Reg. I, Juneau
W.S.Martin(2)
Helena Meyer USBM
Adm.Read.File
T.H.Kiilsgaard
R.P.Dwyer
H.C.Rubin
Pending
Chron.

December 21, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resource

From: Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 2742 - Tungsten
DeCoursey Mountain Mining Company, Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Attached for your consideration, is the rough draft of a proposed letter to Mr. S. H. Lorain.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

SPHolt:am
~~[illegible]~~
cc to: Docket
Code 400

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

P. O. Box 2688
Juneau, Alaska

RECEIVED
DEC 7 1956
DMEA

December 12, 1956

George C. Selfridge, Chairman,
Operating Committee,
Defense Minerals Exploration Admin.,
Department of the Interior,
Washington 25, D.C.

re: Docket No. DMEA 2742 (mercury)
DeCoursey Mountain Mining Company, Inc.
Contract No. Idm-E540

Dear Mr. Selfridge:

Your letter of November 16 arrived just as I was getting ready to leave for the States and I forgot to discuss it with you when I was in Washington.

Before I write to the company about their liability for all Government money paid to date in the event that they do not resume work I want to be sure that I am on firm ground. I believe that you are aware that Stage I of this contract has been completed but, to the best of my knowledgement, Stage II has never actually been authorized because the company has never submitted a specific plan or a specific request for Stage II.

I assume that your office is aware of the facts stated above but I want to be sure before I proceed to put pressure on them. Please advise.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Velikanje

DOCKET
SURNAME
Holt
Martin
Selfridge
Fleman
Matteson

400

NOV 16 1956

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA 274-2 - Mercury
DeCourcey Mountain Mining Company, Inc.
DeCourcey Mountain Mine
4th Judicial Division, Alaska
Contract No. Ida-2546

Dear Mr. Lorain:

Reference is made to your letter of July 31, 1956, returning unsigned copies of a proposed Amendment No. 2 to the above-referenced contract, together with copies of a letter from the operator explaining his reasons for not signing the amendment.

We note from a memorandum by Mr. T. H. Killagaard to the Administrator concerning his August 1956 inspection of the Red Devil mine, (Docket No. DMEA 274-1), that he had visited, with Mr. Bob Lyman, the DeCourcey Mountain mine (Docket No. DMEA 274-2), that he had found no DMEA work being done at the DeCourcey Mountain mine, and that the staff stated no work was planned for the remainder of this year.

The Operator, not having signed the proposed amendment, is, by his failure to continue project work, in the position of being in unauthorized recess of his contract, and thus liable to our demand that he either resume work or return to the Government all money paid to date.

It will be appreciated if you can learn whether the Operator would now be willing to sign an amendment similar to the one he returned but with appropriate changes in the dates specified therein.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

SPHolt:foc 11/14/56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. I - Alas.Dist.

cc: Mr. Mannington, BM
" Killagaard, GS

Docket

Docket No. DMEA 2742
De Coursey Mountain Mining Company
De Coursey Mountain Mine

Memorandum report, undated (submitted about Nov. 1, 1956), by T. H. Kiilsgaard, USGS, to the Administrator, DMEA, on the Red Devil Mine, Kuskokwim River Area, Alaska, DMEA Docket 2741 (mercury), contains the following statement:

> "On the 9th (of August, 1956) I flew with Mr. Bob Lyman to the De Coursey Mountain mine, to examine some of the DMEA work done at that property. Mr. Lyman is the owner of the De Coursey Mountain mine, although the mine is currently under option to the De Coursey Mountain Mining Company. Some DMEA work remains to be done at the mine, but none was being done at the time of our visit and I was told by the staff at the Red Devil that no work was planned for the remainder of this year."

DOCKET
Surname:
Martin
Chapman
Chamberlin
Johnson
Mittendorf

400

AUG - 3 1956

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA-2742, Mercury
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Division, Alaska
Contract No. Idm-E540

Dear Mr. Lorain:

Reference is made to your letter of October 5, 1955, in which you state:

> "Mr. Velikanje and I have agreed that it would be desirable to postpone the additional work at DeCoursey Mountain until the operations at Red Devil have become better established; therefore we suggest that they be given permission to delay the start of work at DeCoursey Mountain until July 1, 1956 but with the understanding that an adequate report on Stage I be submitted and that specific proposals for Stage II be submitted in time to obtain prior approval."

Accordingly, we prepared an Amendment No. 2 as you recommended, and it specifically provided that proposals for Stage II should be submitted by May 1, 1956. The proposed Amendment No. 2 was transmitted to you by our letter of March 8, 1956. As you will recall, a postscript on that letter stated:

> "The executed Consent to Lien should be attached to the contract before presenting the latter to the Operator."

Your teletype of June 26, replying to our teletype of June 25, informed us that the proposed amendment had not been returned and you had received no proposal for resumption of work. In order that we may determine whether the contract

R.C.L.

should be terminated immediately or whether further suspension or work is justified, it will be appreciated if you will advise us whether your above-quoted recommendation is now applicable.

Sincerely yours,

W. S. Martin (EF)

ACTING Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehum (EF)

Member, Bureau of Mines

N. E. Nelson (EF)

Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
T. Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Reg. I-Alaska Dist.

WSMartin/ls
7/30/56

P. S. - The Operator should be requested to return all copies of Amendment No. 2 promptly.

cw

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

RECEIVED
AUG - 3 1956

P. O. Box 2688
Juneau, Alaska

July 31, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Proposed Amendment No. 2, Docket No. DMEA-2742 (mercury), DeCoursey Mt. Mining Co., Contract No. Idm-E540

I am enclosing 4 copies of a letter from Mr. K. J. Benner, Manager of the DeCoursey Mt. Mining Co. Also I am returning all copies of the proposed amendment.

The letter from Mr. Benner is self-explanatory. Whether you want to remove this project from the docket or hold it in suspense pending a possible request for reactivation is, of course, for your decision. We will try to extract a final report from Mr. Benner.

S. H. Lorain

Enclosures-2

cc: Velikanje
Wilcox

-C-O-P-Y-

DeCOURSEY - BREWIS MINERALS LIMITED

145 Yonge Street,
Toronto 1, Canada

RECEIVED
AUG - 3 1956

July 25, 1956.

Mr. S. H. Lorain,
United States Department of the Interior,
P. O. Box 2688,
Juneau, Alaska.

Dear Mr. Lorain:

Re: Docket No. DMEA 2742,
DeCoursey Mountain Mine,
Contract IDM E. 540.

My reply to your letter dated May 21 was delayed pending a decision on the part of Head Office re the possibility of doing extensive work at DeCoursey Mountain.

Due to a very full schedule for this year it has been decided that beyond logging and sampling the drill core, and mapping the present underground workings, we will not be able to exercise our D.M.E.A. contract. We do hope that at a future date we will be able to renew the contract.

We are returning herewith six copies of the amended contract, unsigned.

Yours very truly,

/s/ Keith J. Benner.

K. J. Benner.

KJB/H.
Encl.

R S 3 4 9

RECEIVED
JUN 27 1956

INTERIOR DEPT.
JUN 27 1956
SECRETARY'S
CORR. SECTION

JUN 26 1 9 3 4 z56

EX 5539

69561

NNNN

EU 1931Z

EUF1840WKD305KA139

RR RUEPC

DE RUKJC 209A

R 261905Z

FM S H LORAIN ASST REGIONAL DIR FOR ALASKA REGION I JUNEAU ALASKA

TO OPERATING COMMITTE DEFENSE MINERALS EXPLORATION ADMIN DEPT OF

THE INTERIOR INTERIOR BLDG WASHDC

MINES GRNC

BT

REURTEL DOCKET 2742 DECOURSEY MOUNTAIN THE PROPOSED AMENDMENT HAS

NOT BEEN RETURNED NOR HAVE WE RECEIVED ANY PROPOSAL FOR

RESUMPTION OF WORK

BT

CFN 2742

26/1912Z

FORM 805 THE STANDARD REGISTER CO., DAYTON 1, OHIO, U. S. A.

402

JUN 25 1956

Interior Department
Defense Minerals Exploration Administration
14X4401(01) Revolving Fund, Defense Production Act,
Interior (Allocated Working Fund to the Office of the Secretary)

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
Bureau of Mines
P. O. Box 2688
Juneau, Alaska

Docket 2742, DeCoursey Mountain Mining Company, Contract Idm-E540. Please advise whether Operator has executed or intends to execute proposed Amendment 2 sent you by our March 8 letter. If so, have you received specific proposals of work to be performed in Stage II as required before May 1 by Item 7(b) of the amendment.

George C. Selfridge
Chairman, Operating Committee

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
T. Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Region I-Alaska Dist.

WSMartin/ls
6/25/56

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
MAY 24 1956

P. O. Box 2688
Juneau, Alaska

May 21, 1956

Mr. Keith Benner, Manager,
DeCoursey Mountain Mining Co.,
Red Devil, Alaska.

re: Docket No. DMEA-2742
DeCoursey Mountain Mining Co.
(DeCoursey Mt. Mine)
Contract No. Idm-8540

Dear Mr. Benner:

The enclosed six copies of proposed Amendment No. 2 for the referenced contract were prepared last March but got misplaced and overlooked until just now. Fortunately the delay is not important because I am sure that you are not yet ready to go ahead with the work at DeCoursey Mountain.

Velikanje's office

If you are still planning some DMEA work at DeCoursey Mt. please look over this contract amendment and let us know whether, with changes made necessary by the time lapse, you want to go ahead with it. If the amendment is otherwise satisfactory, I suggest that you might change the date in the first line of Item 7 to the earliest date at which you could comply with the requirements, then sign all copies, initial the change, and send all copies back to me. I will then see whether Mr. Mittendorf will approve the change.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Velikanje
Operating Committee

Copied from The Northern Miner, May 3, 1956
Page 19.

MERCURY OUTPUT STARTS AT DeCOURSEY-BREWIS

The Red Devil mercury mine of DeCoursey-Brewis, Alaska, is now in production. And initial returns are exceeding expectations, officials advise.

On Feb. 29, the company's 40-ton reduction plant commenced production to fill a 1,500-flask sales contract (114,000 lbs.) at $3,355 per lb., having a total sales value of $382,500. In March, 290 flasks were produced valued at $73,950.

Recent developments at the mine have produced an upward revision of the grade of ore to 39 lbs. per ton from the former estimate of 30 lbs. per ton, Geo. Holbrook, consulting geologist reports. Allowing for the inevitable "running-in" process for any new plant, April production promises to be greater, he feels.

The mine gives indication of eventually supporting production of 200 tons per day from the Red Devil property along. In addition, the DeCoursey Mountain section (a former producer), and the Willis group, remain to be developed.

DOCKET
SURNAME
McMahon
Chapman
Martin
Dunlap
Selfridge
Hyman

400

MAR 8 1956

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA 2742 - Mercury
DeCoursey Mountain Mining Company, Inc.
DeCoursey Mountain Mine
4th Judicial Div., Alaska
Contract No. Idm-K540

Dear Mr. Lorain:

Enclosed are the original and five copies of a proposed Amendment No. 2 to the above-referenced project, signed by the Administrator for the Government. Two extra copies are enclosed for use of the Field Team. Since this amendment extends the royalty period to thirteen years, a new Consent to Lien form is also enclosed.

If the terms and conditions of this proposed amendment are satisfactory to you and the Operator, all six copies should be signed by the Operator and the usual distribution made.

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SHB)

P. S. The executed Consent to Lien should be attached to the contract before presenting the latter to the Operator.

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

ADMcMahon/foc 3-1-56
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. I - ALASKA DIST.
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS

manner required by the Contract as amended, the following provisions shall become effective:

(a) The Contract and all obligations of the parties hereunder, except as otherwise herein expressly provided, shall be and are hereby terminated, as follows:

(i) Effective October 31, 1954, if the work has not been resumed on or before July 1, 1956

(ii) Effective December 2, 1956, if the work is resumed on or before July 1, 1956, but is not completed on or before December 2, 1956.

Draft 2/24/56
Dwyer
"Appl. Sol. Off."
Chapman
Martin
Chambers

(b) The Government shall contribute to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (1) the preservation and disposal of property to the cost of which the Government has contributed, and (2) the rendering of the final report and final account.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (1) the disposal of any facilities, buildings, equipment or other items to the cost of which the Government has contributed; and (2) the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided for in this Amendment No. 2.

This amendment shall not be construed to increase the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute to the cost of any unit of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DeCOURSEY MOUNTAIN MINING CO., INC.

By _____ By _____

Administrator, Defense Minerals Exploration Administration

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

Indritz 2/24/56
Dwyer

FEB 27 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Preparation of revised Amendment No. 2
Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Company, Inc.
DeCoursey Mountain Mine
Contract No. Idm-M520

Attached is draft of revised Amendment No. 2.

The Consent to Lien in the file is for only ten years. Since the royalty period would be extended by Amendment No. 2 to thirteen years, a new Consent to Lien form is attached.

Robert P. Dwyer

Attachment

P. Indritz/wog
February 23, 1956
Copy to: Solicitor's Docket (2)
W.S.Martin (2)
G.C.Selfridge
R.P.Dwyer
P.Indritz
Chron.

DOCKET
Surname:
Martin
McMahon
Yager
Kiilsgaard
Selfridge
Smith
Stutheeden

Interior Department
Defense Minerals Exploration Administration
14X4401(01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to the Office of the Secretary)

JUN 25 1956

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
Bureau of Mines
P. O. Box 2688
Juneau, Alaska

Docket 2742, DeCourcey Mountain Mining Company, Contract Idm-E540. Please advise whether Operator has executed or intends to execute proposed Amendment 2 sent you by our March 8 letter. If so, have you received specific proposals of work to be performed in Stage II as required before May 1 by Item 7(b) of the amendment.

George C. Selfridge
Chairman, Operating Committee (WS)

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
T. Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Region I-Alaska Dist.

WSMartin/ls
6/25/56

400

Chapman
Martin

February 14, 1956

MEMORANDUM

To: Associate Solicitor,
Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of revised Amendment No. 2
Docket No. DMEA 2742 - Mercury
DeCoursey Mountain Mining Company, Inc.
DeCoursey Mountain Mine
Contract No. Idm-E520

Supplementing our memorandum of November 9, 1955, transmitted herewith is a revised rough draft of an Amendment No. 2 to the above-captioned contract, for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket

Code 400

WSMartin/ls

P. S. Please also delete the abandoment provision in Article 10.

COPY

EXPLORATION PROJECT CONTRACT
DeCOURSEY MOUNTAIN MINING COMPANY, INC.
DOCKET NO. DMEA-2742
CONTRACT NO. IDM-E540

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and DeCoursey Mountain Mining Company, Inc., that Exploration Project Contract No. Idm-E540 (Docket No. DMEA-2742), dated June 2, 1953, as amended, is further amended as follows:

1. In Article 3, the period for completion is further extended from "18 months" to "42 months," the expiration date being December 2, 1956.

2. During the period from October 31, 1954, to not later than July 1, 1956, work under the contract shall be suspended.

3. The Government shall not contribute to any costs incurred by the Operator during the period of suspension, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

4. The maximum period for royalty payments and lien for payment thereof is extended to thirteen (13) years from the date of the contract.

5. The Operator on or before May 1, 1956, shall:

(a) furnish a detailed report of the work performed in Stage I; and,

(b) submit for written approval of the Government specific proposals of work to be performed in Stage II.

6. It is the essence of this Contract that the work be resumed before the termination of the period fixed for suspension, and, if it shall be resumed, be completed by December 2, 1956. If work is not resumed before the termination of the period fixed for suspension, or if it is resumed but not completed on or before December 2, 1956, the following provisions shall be come effective:

(a) Effective November 1, 1954, the Contract and all obligations of the parties hereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) The Government shall contribute to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (1) the preservation and disposal of property to the cost of which the Government has contributed, and (2) the rendering of the final report and final account.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (1) the disposal of any facilities, buildings, equipment or other items to the cost of which the Government has contributed; and (2) the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided for in this Amendment No. 2.

This amendment shall not be construed to increase the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute on the cost of any unit of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

DeCoursey Mountain Mining Co., Inc.

By _____

400 Docket
Surname
Chapman
Martin
Nelson

November 9, 1955

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of Amendment No. 2
Docket No. DMEA 2742 - Mercury
DeCourcey Mountain Mining Company, Inc.
DeCourcey Mountain Mine
Contract No. Idm-2520

Attached herewith is a rough draft for your use in preparing the final draft of proposed Amendment No. 2.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

TLChapman:foc
11-9-55
cc to: Docket
Code 400

EXPLORATION PROJECT CONTRACT
DECOURSEY MOUNTAIN MINING COMPANY, INC.
DOCKET NO. DMEA 2742
Contract No. Idm-E520

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and DeCoursey Mountain Mining Company, Inc., each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract No. Idm-E540, (Docket No. DMEA 2742), dated June 2, 1953, and as Amended on November 16, 1953, is further amended and modified as follows:

1. This Amendment shall be effective as of May 1, 1954.

2. In Item 2, of Amendment No. 1, the words "42 months", are substituted for the words "18 months".

3. During the period from May 1, 1954, to July 1, 1956; (a) the project work shall be recessed; (b) the Government shall not contribute to any costs incurred by the Operator; and (c) the Operator shall save the Government harmless from any and all claims, and preserve and protect the project work and any property in which the Government has an interest.

4. The maximum period for royalty payments is increased to twelve (12) years from the date of said contract June 2, 1953.

5. The Operator shall submit an adequate report on the work accomplished in Stage I, and specific proposals for Stage II, in time to obtain Government approval before July 1, 1956.

Draft

If work is not resumed on or before July 1, 1956, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above-mentioned contract, hereby terminates the contract, as in the opinion of the Government you have failed to prosecute operations pursuant to the terms of the contract.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment as provided in the contract are preserved.

This Amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate this day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

DeCOURSEY MOUNTAIN MINING COMPANY, INC.

By _____

Draft

DMEA 2742

October 26, 1955

MEMORANDUM

To: Mr. George Salbridge, Special Assistant to the Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Geological Survey Professional Paper 268
The Centennial Mountains Region, Alaska

The subject paper contains an account of the geography, geology and mineral resources of the Centennial Mountains Region accompanied by detailed geologic maps and sections of certain mining areas and two individual properties, the Red Devil and DeCourcey Mountain mines. The report is the result of investigations and geological mapping carried on between 1941 and 1946.

The DeCourcey Mountain Mining Company has two DMEA exploration contracts covering work completed or proposed in the Red Devil and DeCourcey Mountain Mines, Docket Nos. 2741 and 2742 respectively.

A review of the subject report reveals that two footnotes on pages 109 and 110 refer to reopening of the Red Devil Mine in 1952 and work done in 1953. This work consists of shaft-sinking, crosscutting and drifting which was accomplished with DMEA assistance through an exploration contract executed June 3, 1953.

The 1953 workings consist of:

(1) Sinking the existing inclined shaft 120 feet from the 235 to the 130 foot level (levels designated as altitude above sea level).

(2) Crosscutting 90 feet in a southerly direction.

(3) Drifting northeasterly 450 feet and southeasterly 355 feet.

These advances are in the "B" Ore Zone and are not shown on the accompanying map or sections of the Red Devil Mine. Also no reference is made in the text of the report to Defense Minerals Exploration Administration's connection with these two mercury properties.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

AIMcMahon:fec
10-26-55
cc to: Docket (Mails & Files)
Code 400
Adm. Read. File

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

RECEIVED
OCT 10 1955

P. O. Box 560
Juneau, Alaska

October 5, 1955

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Request for time extension.
Docket No. DMEA-2742 (mercury)
(DeCoursey Mountain Mine)
DeCoursey Mountain Mining Company

The enclosed copy of a letter from Mr. Beckwith was written after several suggestions from me that the company make a formal request for a time extension to perform Stage II of the subject contract.

Stage I has been completed and the results are such as to justify Stage II with, perhaps some modifications of the program originally proposed. However the company has not submitted a satisfactory report on the results of Stage I; they have been notified to this effect.

Mr. Velikanje and I have agreed that it would be desirable to postpone the additional work at DeCoursey Mountain until the operations at Red Devil have become better established; therefore we suggest that they be given permission to delay the start of work at DeCoursey Mountain until July 1, 1956 but with the understanding that an adequate report on Stage I be submitted and that specific proposals for Stage II be submitted in time to obtain prior approval.

If you agree to the above I suggest that an amendment to that effect be prepared by your staff.

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

Enclosure-1

cc: Velikanje
Wilcox

COPY

RECEIVED
OCT 10 1955

De Coursey Mountain Mining Co., Inc.

Mine: Sleitmute, Alaska

P. O. Box 119,
Anchorage, Alaska.

Reference: DeCoursey Mountain claims
D.M.E.A. Loan - 2nd phase

September 2, 1955

Mr. S. H. Lorain,
P. O. Box 560,
Juneau, Alaska.

Dear Mr. Lorain:

While we are fully prepared to proceed with the 2nd phase of the D.M.E.A. loan, it is our feeling that it would be mutually advantageous to both parties to delay this work until next year.

We hereby request your favorable consideration in granting this extension.

As you know, we are concentrating on the Red Devil operation and we feel that it is much more important to devote our full energies in the exploration of this group of claims.

Yours very truly,

DeCOURSEY MOUNTAIN MINING CO., INC.

/s/ H. R. Beckwith
H. R. Beckwith
Managing Director

HRB:DF

COPY

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]

Defense Minerals Administration
RECEIVED
MAY 23 1955

P. O. Box 560
Juneau, Alaska

May 19, 1955

DeCoursey Mt. Mining Co. Inc., Copy retained 200
P.O. Box 119,
Anchorage, Alaska.

Re: Docket No. DMEA-2742 (mercury)
DeCoursey Mt. Mining Co. Inc.

Gentlemen:

Enclosed herewith is a copy of an "Interim Audit Certificate" and an "Interim Audit Report" which were prepared by Mr. E. D. Talbert as a result of his recent visits to Juneau and to Anchorage.

If you object to any of the items or to any of the statements contained in these reports we will be happy to take up the matter with our Contract and Audit Division in Washington.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Chambers
Wilcox

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

February 17, 1955

Memorandum

To: The Files

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2741 (Mercury)
Contract No. Idm-E539
DeCoursey Mountain Mining Company Incorporated
Red Devil Mine
Georgetown Mining & Recording District
4th Judicial Division, Alaska
and
Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining Company Incorporated
DeCoursey Mountain Mine
Otter Mining & Recording District
4th Judicial Division, Alaska

The DeCoursey Mountain Mining Company has been reorganized, with new officials. However, the reorganized company is still operating under the name of DeCoursey Mountain Mining Company Incorporated, and is a subsidiary of the DeCoursey-Brewis Minerals Limited, Toronto, Canada.

Messrs. A. W. White and G. L. Holbrooke, officials of the reorganized company, visited our office today and discussed with me the possible modification of the existing proposed amendment (No. 2) in Docket No. DMEA-2741, Contract No. Idm-E539, Red Devil Mine, to the extent of sinking a vertical shaft to the 300 level elevation and crosscutting from the shaft to the mineralized zone. They desired to know our opinion concerning allowing the amount set forth in the proposed amendment for sinking this vertical shaft.

In addition, they discussed the possibility of hydraulicking off the overburden covering the mineralized zone between the Red Devil shaft and the Barometer workings in lieu of the trenching as set forth in the amendment.

They were advised that until some trenching had been done to justify such a change, we would not look upon this proposition favorably, that the question of the shaft would have to be considered, but I thought something could be worked out through our office on the proposed basis.

They also inquired about Stage II work set forth in Contract Idm-E540 (Docket DMEA-2742) and proposed a modification of this work to allow a crosscut to and through the limits of a mineralized zone discovered by recent diamond drilling, then raising to the surface along this zone and diamond drilling at intervals from the raise to the limits of this zone. They were advised that all of their proposal should be submitted to the Field Team at Juneau who would make recommendations to this office, and with the combined information we would be able to process their proposed program.

/s/ F. L. Knouse

F. L. Knouse

DOCKET FILE DMEA-2742

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

January 12, 1955

Memorandum

To: The File

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2741 (Mercury)
Docket No. DMEA-2742 (Mercury)
DeCourcey Mountain Mining Company
Fourth Judicial Division, Alaska

Mr. J. M. Paulson discussed with me by telephone from Chicago, Illinois, today the above project contracts. He was advised of the amount of each contract, the approximate amount of known expenditures made to date on each project and the amount of the amendment for DMEA-2741, Red Devil Mine. He was also advised the properties are described in Bureau of Mines R.I. 4065, dated May 1947.

I suggested to Mr. Paulson that if he desired to see the reports submitted to DMEA by the Operator he should obtain a letter from the Operator authorizing us to show him this information. He was also advised we could not furnish him the information prepared by DMEA engineers.

/s/ F.L. Knouse

F. L. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

OFFICE OF
REGIONAL DIRECTOR

P. O. BOX 2998
JUNEAU, ALASKA

560
XXX

December 31, 1954

Edward N. Dodd,
General Manager,
Decoursey Mt. Mining Co. Inc.,
547 "C" Street
Anchorage, Alaska

Re: Docket No. 2742 (mercury)
Contract Idm-E540
Decoursey Mt. Mining Co.

Dear Mr. Dodd:

Reference is made to your letter of December 27 in which you ask about final payment on the subject contract.

Our past payments of $26,154.38 are about $2,000 less than the maximum allowable for Stage I of the contract; we have only recently received a statement from your company to the effect that the work specified for Stage I has been completed. We have had no clear cut statement as to whether you expect to perform Stage II or whether you want to stop the contract at this point. Mr. Velikanje was given to understand that, in view of the results obtained from Hole No. 8-2, you would plan to continue with Stage II.

If you do not plan to continue beyond Stage I we should proceed with an inventory and disposal of equipment. As soon as that has been completed we can then ask for a final audit certificate (which we are told will not require a site audit) and make the final payment. Please give us specific notice of your intentions.

By having our draftsmen make up the maps from Mr. Sorenson's data I think that we could accept his report on Stage I as a final report for the project provided he will make a statement with regard to his estimate of ore reserves indicated, and provided we find that this data are adequate. His report, as is, would not meet contract requirements.

Yours sincerely,

S. H. Lorain,
Regional Director,
Region I.

SHL/ma
cc: Velikanje
Wilcox
Operating Committee, DMEA
File: Decoursey "Decoursey"
Decoursey "General"

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

OFFICE OF
REGIONAL DIRECTOR

560
XXX

P. O. BOX 2990
JUNEAU, ALASKA

December 31, 1954

Edward N. Dodd,
General Manager,
Decoursey Mt. Mining Co. Inc.,
547 "C" Street
Anchorage, Alaska

Re: Docket 2741 (mercury)
Contract Idm-E539
Decoursey Mt. Mining Co.

Dear Mr. Dodd:

I have just received your letter of December 27 in which you ask about final payment on the subject contract.

Our past payments of $59,635.59 are the maximum allowable under the existing contract until formal termination thereof. In other words we have paid 90 percent of the allowable government contribution. You have requested an extension to the existing contract and this extension has been approved by the government subject to your signature; the papers were sent to you some time ago. If you sign the contract and continue with the work we can then make additional payments to within 10 percent of the allowable government contribution as the units of work are completed.

If you do not propose to accept the amendment authorizing additional work you should return the papers to us and give us specific notice of your intentions. It will then be necessary to inventory the remaining supplies and equipment and to arrange for their equitable disposal under the terms of the contract. When that is completed and when you have made a final technical report, we can request a final audit certificate and make the final payment. With regard to the report, please read Article 6-b of the contract and try to get a proper formal report for us.

Yours sincerely,

S. H. Lorain,
Regional Director,
Region I.

SHL/ma
cc: Wilcox
Velikanje
Operating Committee, DMEA
File: Decoursey "Red Devil"
Decoursey "General"

PD ANCHORAGE ALASKA 1954 DEC 10 AM 12 37

F. L. KNOUSE DEFENSE MINERALS EXPLORATION ADMN

DEPT OF INTERIOR WASH DC

THIS IS YOUR AUTHORIZATION TO PERMIT WILLIAM RICHARDSON AND ASSOCIATE COMPANIES TO SEE EVERYTHING IN YOUR FILES PERTAINING TO DECOURSEY MOUNTAIN MINING COMPANY

RAY WOLFE PRESIDENT

Docket No. DMEA-2741
No. DMEA-2742

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

December 8, 1954

Memorandum to Files

Re: Docket No. DMEA-2741 (Mercury)
Contract No. Idm-E539
DeCoursey Mountain Mining Company
Red Devil Mine
4th Judicial Division, Alaska

Docket No. DMEA-2742 (Mercury)
Contract No. Idm-E540
DeCoursey Mountain Mining Company
DeCoursey Mountain Mine
Fourth Judicial Division, Alaska

Reference is made to the telegram addressed to me from Mr. W. A. Richardson, 330 Spadina Road, Toronto, Canada, dated December 9, 1954, requesting information on the above-named contracts.

This inquiry was answered by a long-distance, collect, telephone call to Mr. Richardson at Walnut 2-3111, Toronto, Canada. I advised Mr. Richardson that we do not have any reserve figures except the figures that were submitted by the Operator's engineer; that if we did have any reserve figures that were worked up by the Government engineers, we couldn't let him have those figures because such information would be confidential and could not be released.

I furnished him the figures of the total amount of the subject contracts and the additional amount being added by proposed Amendment No. 2 to Contract No. Idm-E539 (Docket DMEA-2741) which has been signed by the Administrator and submitted through our Regional Office in Juneau to the Operator for execution. Also, I referred Mr. Richardson to the Bureau of Mines R.I. publication which he may obtain from the library which covers this property.

I suggested to Mr. Richardson that he obtain a letter from Ray Wolfe, President of DeCoursey Mountain Mining Company authorizing us to give him information from our files. Mr. Richardson said he would do that.

F. L. Knouse

F. L. Knouse

c
o
p
y

TORONTO ONT DEC 9 1022A

MR. KNOUSE CHARGE OF MERCURY DEVELOPMENTS RE DECOURCEY

AND RED DEVIL MINE ALASKA DMEA HEADQUARTERS

DIR ROOM 4445 INTERIOR DEPT 19 AND C STS NORTHWEST

DEAR SIR COULD YOU PLEASE AIRMAIL ME IMMEDIATELY LATEST CONDENSED REPORTS ON THE TONNAGE AND GRADE POSSIBILITY OF DECOURCEY AND RED DEVIL MINE AND IMMEDIATE AREA STOP MR. RAY WOLFE PRESIDENT OF DECOURCEY ANCHORAGE HAS GIVEN ME PERMISSION TO CONTACT YOU STOP REGARDS TO THE POSSIBILITY OF OUR GROUP FINANCING FURTHER DEVELOPMENT AND PRODUCTION STOP PLEASE PHONE COLLECT WALNUT 2-3111 IF THERE ARE ANY PROBLEMS STOP ALL COSTS WILL BE PAID BY RETURN MAIL THANK YOU

W A RICHARDSON 330 SPADINA ROAD

Docket DMEA-2741
Docket DMEA-2742

Surname copy

700

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

Selfridge

NOV 1 - 1954

Mr. S. H. Lorain
Executive Officer
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA-2741 (Mercury)
Contract No. Idm-3539
DeCourcey Mountain Mining Company
Red Devil Mine
Georgetown Mining & Recording District
4th Judicial Division, Alaska
Docket No. DMEA-2742 (Mercury)
Contract No. Idm-3540
DeCourcey Mountain Mining Company
DeCourcey Mountain Mine
Otter Mining & Recording District
4th Judicial Division, Alaska

Dear Mr. Lorain:

Reference is made to your memorandum of September 17 concerning the request of Mr. Paul M. Sorensen, General Superintendent for the subject Company, for assistance in obtaining certain maps for his use. We enlisted the aid of the Washington Office of Geological Survey in connection with this request, and enclose two copies of a memorandum on the subject by Mr. Thor H. Kiilsgaard, which is self-explanatory.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosures 2

APPROVED:

J. H. Hedges (JHH)
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey (THK)

FIKnouse/gla
10-28-54
11/1/54
cc to: Admr.'s Reading File
Operating Committee
Docket No. DMEA-2741
Docket No. DMEA-2742
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
Code 700 (2)
Mr. Knouse

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Washington 25, D. C.

October 27, 1954

Memorandum

To: Mr. Knouse, Rare & Miscellaneous Metals Division, D.M.E.A.

From: Thor Kiilsgaard, U. S. Geological Survey

Subject: Mr. S. H. Lorain's letter of September 17, 1954, on the procurement of U. S. Geological Survey maps on the DeCoursey Mountain Mining Company Dockets DMEA-2741 and 2742.

When you gave me the cited letter for comment I immediately contacted our Alaska Branch office to determine the status of the requested maps. I was informed that this work had been done under a wartime investigation program and that initial maps and the mimeograph report were published on June 6, 1945. They further informed me that information contained in this wartime report has been incorporated in a Survey Professional Paper currently in the process of being printed. They stated that maps in the Professional Paper on DeCoursey properties had been expanded from those in the wartime report, the additional data taken largely from information supplied by the DeCoursey operator on work done since the original examination was made. It was their opinion that what with the wartime maps already released and the operator's own maps, he, the operator, would have all the data included on maps now being printed for the Professional Paper.

I stressed the point that any data available should be released as it might be of value to the DMEA work now in progress. Alaskan Branch people agreed with this opinion and stated they would release the two principal maps, one on the DeCoursey Mountain property and the other on the Red Devil property, by Open File release in the near future.

Present plans are to put these maps on Open File gang release during the coming month. As soon as this is done, copies of the maps will be forwarded to our Survey representative in Juneau, Mr. R. S. Velikanje, who can distribute copies to the DeCoursey operator.

/s/ Thor H. Kiilsgaard

Thor H. Kiilsgaard

Copy

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9-23-54

REFERRED TO:

1. ~~Mr. Kiilsgaard, Rm. 5227~~
2. ~~Mr. Knouse, Rm. 4618~~
3. Div. contract file
4.

DMEA-2741
DMEA-2742

FOR:

	Action		Recommendation
	Approval		Record of
✓	Comment		Refer to
	Conference		Reply for signature of
	Consideration		Rewriting
	Filing		Signature
	Instructions		Suggestions
	Investigation		Your information
	Initials		
	Mailing		
	Previous correspondence		

REMARKS: Can you supply us with the information requested in Mr. Lorain's attached memo. Please return the letter to me.

Check (X) before the items needing attention.

F. L. Knouse
Ernest Wm. Ellis

Initials of sender.

GPO 16—63815-1

MF-500

UNITED S[redacted]
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9·21

REFERRED TO:

1. 400
2. Mr. Krause
3. Div. contract file
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: Please note Mr. Sorenson's letter was not attached when rec'd. in our Mail Room. [illegible]

Check (X) before the items needing attention.

Telephoned Jack Reed & Bigger-man USGS Re: Report & maps. to will call back - 9-24-'54

ROBERT E. ADAMS

GPO 16—63815-1

Initials of sender.

JMC

9/22/54 gla

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1954

XXXXXXXXXXXXXX
P. O. Box 560
Juneau, Alaska
September 17, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Alaska Field Team

Subject: Geological Survey maps
Docket No. DMEA-2741
Docket No. DMEA-2742
DeCoursey Mountain Mining Co., Inc.

no enclosure

The enclosed copy of a letter from Paul M. Sorenson, General Superintendent for the DeCoursey Mountain Mining Co., Inc. is, I believe, self explanatory. I am wondering if your committee might be able to be of some assistance in getting copies of these maps for Mr. Sorenson's use while he still needs them.

The local office of the Geological Survey wrote some time ago for copies of these maps but they were advised that the reports were being prepared for publication and that the maps would be along in due course of time. In the meantime, the operator is doing the work for which he needs the maps. Apparently by the time the maps are released, the operator will have no more need for them. I think that his complaint is well justified. Mr. Sorenson isn't very specific about the information that he wants, but I am sure that what he is trying to ask for is copies of surface and underground geologic maps, in sections, of the Red Devil mine and of the DeCoursey Mountain mine which were made by the Geological Survey during the wartime investigations in which the Bureau of Mines participated. The maps and reports were prepared by W. M. Cady, R. E. Wallace, E. J. Webber, and J. M. Hoare.

If it would be possible to get copies of these maps and, perhaps, the report released to the operator, it would be appreciated very much.

I am sure that you will be interested to note from Mr, Sorenson's letter that the exploration work at the DeCoursey Mountain mine finally has paid off. It seems now that the operators will ask for Stage II. As soon as practicable, the Field Team will make an examination.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosure None

cc: R.S. Velikanje

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
P. O. Box 560
Juneau, Alaska
September 13, 1954

Defense Minerals Administration
RECEIVED
SEP 16 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Alaska Field Team, Region I

Subject: Drilling
Docket No. DMEA-2742 (mercury)
DeCoursey Mountain Mining Co.

Reference is made to your letter of September 1, 1954 in which you raise the question of costs for the "long hole" percussion drilling in lieu of diamond drilling at the subject project.

Although the possibility of substituting percussion drilling for diamond drilling was discussed and authorized, we have learned that the company decided to continue to use the diamond drill; therefore, the question of relative costs will not be an issue.

S. H. Loraih, Executive Officer
Alaska Field Team, Region I

cc: R.S. Velikanje

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

Albert
Talbert
Chamberlin

SEP 3 1954

Mr. S. H. Lorain
Executive Officer
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCourcey Mountain Mine
DeCourcey Mountain Mining Co.
Contract No. Ida-E540

Dear Mr. Lorain:

Reference is made to your memorandum of August 25, 1954 addressed to the Operating Committee in transmittal of Mr. R. S. Velikanje's interim report on the subject exploration project. Your statement that "A final audit could be made at any time", inasmuch as Stage I is nearly completed and Stage II will not be authorized, has been noted.

An interim audit, covering the operational period ended October 31, 1953, was performed during March, 1954 by Mr. Talbert of this Division's staff. The resultant Interim Audit Certificate dated April 5, 1954 stated the total accepted costs to be $37,672.31, which is only $4,327.69 less than the contractual "allowable maximum" of $42,000.00 for the costs of Stage I. Furthermore the preaudit analysis work performed prior to the site audit disclosed that the original forms MF-104 applicable to this contract were documented with adequate evidence of the costs incurred. Accordingly, it appears that the time and expense required for a final site audit would not be justified.

Upon the final termination or completion of the work under this contract, it is requested that the following be forwarded to the Contract Administration and Audit Division in order that a Report of Review in lieu of final audit may be prepared and issued;

(a) The original of all forms MF-104 subsequent to October, 1953, together with all pertinent supporting documentation;

(b) Both the Operator's and the Field Team's final inventories of equipment, buildings and unexpended supplies in which the Government has an equity; and

(c) Evidence of the final disposal of the Government's interests in the project property in accordance with DMEA Circular 30, including Supplements 1 and 2.

R.G.

The forms MF-104, together with attachments, will be returned to you with the regional copies of the Report of Review.

Pending issuance of the Report of Review it is suggested that no payments, beyond the $28,254.23 covered by the Interim Audit Certificate, be approved. Such action is deemed advisable in order to protect the Government's interest in project property as well as for possible disallowances.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
September 3, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers
Mr. Ellis

File Copy
Surname

700

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

F. L. Knouse
Ellis
Selfridge
Johnson
Mitchell

SEP 1 1954

Mr. S. H. Lorain
Executive Officer
DMEA Field Team, Region I
Post Office Box 560
Juneau, Alaska

Re: Docket No. DMEA-2742 (Mercury)
Contract No. Idm-2540
DeCourcey Mountain Mining Co., Inc.
DeCourcey Mountain Mine
Fourth Judicial Division
Territory of Alaska

Dear Mr. Lorain:

This is with reference to the status of the subject project, and also to your memorandum dated May 3, 1954, concerning drilling on the project with a long-hole percussion drill in lieu of a diamond drill.

As we have not received the operator's progress report for any work done since October 1953, and also as the winter recess period ended on May 1, 1954, please advise if the project work has been resumed and, if so, what progress has been made.

With reference to the percussion drilling in lieu of diamond drilling, Stage II of the contract provides for 2,500 feet of diamond drilling on an allowable maximum-cost basis of $7.00 per foot. If percussion drilling is to be done in lieu of diamond drilling, the contract should be amended by you to provide for the change; also, as the unit cost per foot for long-hole drilling at the Red Devil mine (Amendment No. 2) is $2.00 per foot, the same unit cost should be allowed for long-hole drilling on this project.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges
Member, Bureau of Mines (JHB)

Thor H. Kiilsgaard
Member, Geological Survey (JHB)

FLKnouse:ep 8-30-54

Copy to: Docket
Admin. Reading File
Operating Committee
Mr. H. M. Meyer, B/M, Rm. 2623
Mr. E. L. Newcomb, USGS, Rm. 5227
Code 700
Mr. Knouse

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
P. O. Box 560
Juneau, Alaska
August 25, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Alaska Field Team, Region I

Subject: Interim report
Docket No. DMEA-2742 (mercury)
DeCoursey Mountain Mining Co.
(DeCoursey Mountain mine)

Enclosed herewith is an original and three copies of an interim report by R. S. Velikanje. The examination on which this report is based was made on June 11, 1954.

Indirect reports have been received to the effect that the Stage I program is nearly completed. Upon confirmation of the completion of Stage I another examination will be made.

The operators have stated that they will not request permission to perform Stage II of the approved program.

Vouchers in amount exceeding the allowance for Stage I have been submitted but payment in excess of 90 percent of the government contribution to Stage I is being withheld. A final audit could be made at any time.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosures

cc: R.S. Velikanje

INTERIM REPORT

DeCoursey Mountain Mine
DMEA Docket No. 2742 (mercury)
DeCoursey Mountain Mining Co.
Anchorage, Alaska

SUMMARY

The DeCoursey Mountain Mine is located in an isolated area north of the village of Georgetown on the Kuskokwim River.

Approximately one half of the diamond drilling as proposed as Phase I of the contract has been completed. Efficiency of the operation has been low and costs high due to the isolated locality and the difficulty in obtaining competent labor.

Some zones containing minor amounts of cinnabar have been intersected by diamond drilling, but strong vein type deposits as inferred from evidence found in surface trenches have not been found. The possibility of developing the property into a low-grade, large scale open pit operation should not be overlooked.

INTRODUCTION

The DeCoursey Mountain Mine is located on the south slope of DeCoursey Mountain and is approximately fifteen air miles north-northwest of Crooked Creek, a small native village on the Kuskokwim River, and forty air miles northwest of the Red Devil Mine, a producing mercury property operated by the DeCoursey Mountain Mining Company.

The isolated locality of the mine is an obstacle to the exploration program and any future development of the mine. The only access to the mine during the summer months is by airplane. The small airstrip dozed out of the side hill is tricky enough to use during ideal weather so that during inclement weather it is impractical to use and the mine is completely isolated.

During the winter the mine is accessible by tractor train or dog sled. The airstrip is too short for landings by ski-equiped airplanes, but a cleared area near the camp buildings on Return Creek is useable at times of suitable snow conditions.

A radio transmitter and receiver were recently set up at the mine to facilitate communications with the Red Devil Mine.

It is estimated that 1,500 flasks of mercury were produced at the mine previous to the instigation of the DMEA program. The ore from which this mercury was recovered came from highgrade float, surface trenches and gophering of highgrade pods.

WORK ACCOMPLISHED

As of June 11, 1954 approximately 1,225 feet of diamond drilling had been completed of the 2,500 feet proposed for Phase I of the contract.

The drift was still heavily iced for a distance of several hundred feet from the portal. The ice has prohibited the tramming out of the muck accumulated while blasting out drill stations. The muck is stored in the drift beyond the working area with the result that the drift is blocked beyond Station 12.

GEOLOGY

Interbedded graywackes and shales with minor sandstones and siltstones of probable early Upper Cretaceous age make up the sedimentary country rock in the immediate vicinity of the DeCoursey Mountain Mine. The beds strike northeasterly and dip westerly.

Intruded into the country rock are hydrothermally-altered sill-like bodies of diabase locally showing cross-cutting relations with the enclosing sediments.

Due to the ice conditions and the muck blockade little geology was observable in the drift. Previous reports on the area give a more complete description of the geology of the area than the writer could hope to compile from his brief examination. (See Bibliography)

The highgrade pods of cinnabar previously mined out were lenticular in shape with no continuity in vertical or horizontal extent.

From observations made in the old suface trenches, the writer is of the opinion that the diabase sills and the associated cinnabar intruded into a wide shear zone and surface indications are that the sills are in en echelon, but further examination may show that they are irregularly distributed throughout a shear zone.

From a strategic reserve viewpoint the mineralized zone should not be overlooked as a possible potential overall low-grade deposit that could be worked as a large scale open-pit mine.

Ore in the DeCoursey Mountain Mine differs from that in the better known Red Devil Mine in containing lesser amounts of stibnite and much of the cinnabar has a distinctive purplish hue.

DRILLING PROCEDURE

Drilling has been carried on with an air powered underground drill using EX diamond drill bits. Some holes were started with an AX bit, but very little footage has been drilled with this sized bit.

The Operator recently obtained an amendment to complete the drilling by percussion long hole method, but this procedure had not been started at the time of the writer's visit.

If the percussion long hole drilling is properly conducted and the sludge properly recovered and cared for, it should give more reliable results than diamond drilling. The loss of visible evidence will be more than overcome by the recovery of material that can give a truer assay value. In diamond drilling the cinnabar veinlets have a tendency to grind out which leans out the core and enriches the sludge.

SAMPLES and EVALUATION

Some sludge assays have been made by the Operator with the results noted on a map furnished with one of the Operator's monthly reports. The writer believes these assays are abnormal due to easy grinding of the cinnabar in the core.

Cores of most of the holes were logged by the Operator. The last two holes drilled, 12 - 1 and 12 - 2, were logged by the writer and the logs are attached to this report.

Some of the holes logged by the Operator were spot checked by the writer and were found to be reliable. Some of the boxes of cores had been spilled and others so jumbled when the divider strips came out during handling and moving around that their value as geologic evidence is worthless.

A small lens of cinnabar was blasted out while preparing the drill station at Station 12, but no cinnabar was observed in any of the core recovered from drilling from Station 12. Minor specks of cinnabar in the core could have been overlooked, but no mineralized zones of any importance were observed.

None of the cores showed cinnabar in any amounts to warrant computation of inferred ore.

EFFICIENCY of OPERATIONS

It is difficult to make a direct comparison of the efficiency of the work done at the DeCoursey Mountain Mine with work done at a mine in a less isolated locality. However, the writer is of the opinion that the efficiency of the operation is far below what it should be, but such is the case of many small operations in Alaska.

Difficulty in obtaining competent labor, isolated locality and transportation difficulties, weather, and breakdown of equipment have all been contributing factors to the loss of efficiency.

EXPENDITURES

As is to be expected in an operation where the efficiency has been low, costs have been high. Labor and supervision alone have amounted to over $10.00 per foot of hole drilled.

Percussion long hole drilling should greatly decrease the cost per foot of drilling without decreasing the value of information gained.

EQUIPMENT PURCHASED

The writer's information on expenditures is incomplete, but records that are available show expenditures of $7,604.75 for a used Joy diamond drill with rods, a used 210 c.f.m. Diesel compressor, and other miscellaneous items.

A tractor on the property is on a rental-purchase agreement with rental payments at $800.00 per month.

CONCLUSIONS and RECOMMENDATIONS

The operations at the DeCoursey Mine have been low in efficiency and high in costs due mainly to the difficulty in obtaining competent labor and the isolated locality of the mine.

The isolated locality of the mine is and always will be an obstacle to the exploration operations and to any future development of the mine until a suitable airfield for year around use is built in the vicinity of the mine and an all weather road is constructed between the mine and the Kuskokwim River.

Diamond drilling to date has not indicated any mineralized zones of economic or strategic importance. Unless subsequent drilling indicates mineralized areas of greater magnitude, it would be impossible to recommend Phase II of the contract.

The writer is of the opinion that this property could only be worked economically by small scale "gophering out" of highgrade pods as had been done in the past. Development into a large scale underground operation is doubtful.

The possibility of the development of the mine into a large scale open pit operation, however, should not be overlooked.

With an open pit method of mining a concentrator would have to be employed, but by well supervised selective recovery and the sweetening by occasional highgrade pods, an ore of economic grade might be obtainable.

BIBLIOGRAPHY

Quicksilver Deposits in the DeCoursey Mountain Area, Iditarod District, Southwestern Alaska, E. J. Webber
U. S. Geological Survey Open File Report

Mercury Deposits of Southwestern Alaska
U. S. Bureau of Mines Report of Investigations No. 4065

R. S. Velikanje
Geologist
U. S. Geological Survey
August 9, 1954

DeCoursey Mt. Mine
Station #12
D. D. Hole #1

Footage	Description
0.0' - 6.3'	Altered diabase porphyry. Iron stain along fractures. Heavy limonite weathering at 4.6' - 5.0'. Minor pyrite disseminated throughout. Moderately sharp contact at 6.3' with contact at 45° to core.
6.3' - 8.0'	Shale. Pyrite disseminated and in minute veinlets. Sharp contact at 8.0' @ 45° to core.
8.0' - 12.7'	Altered diabase porphyry. Minor pyrite and very minor limonite. Breccia contact.
12.7' - 15.2' 15.2' - 16.0'	Shale. Minor pods and veinlets of feldspar. Graywacke. Breccia contact. Heavy pyrite at contact.
16.0' - 19.8'	Rhyolite porphyry. Mostly heavily weathered and containing abundant limonite.
19.8' - 20.0'	Shale
20.0' - 20.2'	Same as 16.0' to 19.8'
20.2' - 35.0'	Shale. Minor graywacke beds.
35.0' - 37.1'	Graywacke. Limonitie sandstone 36.6' - 37.1'.
37.1' - 48.0'	Shale. Minor graywacke beds. Shale - graywacke breccia at 40.8' and 42.0'. Narrow quartz stringers at 45.6' to 45.8'
48.0' - 55.0'	Limonite stained altered diabase porphyry Sharp contact.
55.0' - 91.0'	Graywacke. Some minor shale beds. Weathered zone at 66.5' - 67.0'. Limonite stain 69.2' - 69.4'. Limonitie sandstone 83.2' - 83.4'. Some silicification around 81' mark. Poor core recovery.

DeCoursey Mt. Mine
Station #12
D. D. Hole #1

Footage	Description
91.0' - 107.0'	Limonitie graywacke with minor limonitie sandstone beds.
107.0' - 125.0'	Siltstone with minor limonite staining. Uncertain and gradational contacts between graywacke and siltstone.

No cinnabor observed in core. Core in general badly broken - probably due to poor drill operation.

Shales generally very black.

DeCoursey Mt. Mine
Station #12
D. D. Hole #2

Footage	Description
0.0' - 10.0'	Black Shale
10.0' - 15.5'	Altered diabase porphry. Zones of limonite stain. Minor serpentine and minor feldspar veinlets.
15.5' - 18.0'	Tale zone. Almost 100% core loss.
18.0' - 21.2'	Altered diabase prophyry
21.2' - 24.6'	Shale. Weathered zone at 23.7'
24.6' - 38.0'	Altered diabase porphyry. Weathered zone at 34.0'
38.0' - 39.0'	Graywacke
39.0' - 44.0'	Altered diabase porphyry. Pink feldspar pod at 43.1'
44.0' - 52.0'	Graywacke
52.0' - 93.0'	Shale. Black mud zone at 69.4'
93.0' - 95.0'	Shale and graywacke. Faint banding and gradational contacts.
95.0' - 99.0'	Shale - graywacke containing abundant limonite zones and feldspar veinlets.
99.0' - 102.8'	Graywacke
102.8' - 113.2'	Shale
113.2' - 114.8'	Graywacke
114.8' - 118.0'	Shale
118.0' - 118.5'	Graywacke
118.5' - 121.0'	Shale

DeCoursey Mt. Mine
Station #12
D. D. Hole #2

Footage	Description
121.0' - 124.0'	Graywacke
124.0' - 125.0'	Shale
125.0' - 130.0'	Graywacke. Minor quartz stringers at 128'.

Good overall recovery of core. No megascopically visible cinnabar throughout the core.

Logged by

R. S. Velikanje
Geologist
U. S. Geological Survey

14. Exhibit E (question 23-c)*

a) Is it applicable?_____

b) Sufficient data?_____

c) Reasonable?_____

d) Field check needed?_____

15. In your judgment, can the proposed work be done in the proposed time?_____

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?_____

_____

2742

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Juneau, Alaska
August 12, 1954

Edward Dodd, General Manager
DeGourney Mountain Mining Co.
547 "G" Street
Anchorage, Alaska

Dear Mr. Dodd:

Enclosed are the original and 5 copies of Amendment No. 2 to your exploration contract as proposed and prepared by the Washington Office of D.M.E.A.

The contract is not to be executed until the leases covering the land to be added to the contract (subject of telegram dated Aug. 2, 1954) have been furnished and Washington advises that they are satisfactory. The Amendment is being forwarded for your inspection and approval (or suggestions) subject to the above condition.

If you approve and Washington signifies acceptance of the requested leases, please sign all copies, retain the "Operator's Copy" (first carbon) for your files and return the others to this office.

If you do not approve, or Washington rejects the leases, please return all copies (unsigned) to this office along with your suggestions and/or comments.

Upon satisfactory execution of the contract, the Field Team will endeavor to send a representative to the mine as soon as possible to help plan and give the required prior written approval to the additional work authorized by the Amendment.

Since the work to be performed is on a "Unit Cost" basis, we are somewhat puzzled as to why Item 4 under Additional Work specifies that "trenching shall be done with a Model T-B 35 International tractor w/dozer, or manually". It is our understanding that this machine is practically inoperable and that other dozer equipment is now or soon will be available for such work. We believe it is within the Field

Team's authority to authorize such work to be done by whatever equipment and means at hand - as long as the cost of the work to the Government is not increased and is in such locations as are previously approved in writing by the Field Team.

Sincerely yours,

J. A. Kardlick,
For and in the absence of
S. M. Lorain, Executive Officer,
Field Team, Region I

K. S. Velikanje,
For and in the absence of
G. L. Sainsbury, Member of
U. S. Geological Survey

Encl: 1 (in quint)

cc: DMEA Operating Comm.

XXXXXXXXXXXXXXXXXX
P. O. Box 560
Juneau, Alaska
May 3, 1954

Mr. Paul M. Sorenson, General Supt.
Decourcey Mountain Mining Company
Red Devil Mine
Sleetmute, Alaska

re: Docket No. DMEA-2742
Decourcey Mountain Mining Co.

Dear Mr. Sorenson:

We have just received your letter of April 17, 1954 in which you ask for permission to complete the drilling contract at the Decourcey Mountain mine with long-hole percussion drills instead of with diamond drills.

Inasmuch as it has been demonstrated that diamond drill core recovery of mercury mineralization at the referenced project has been negligible, the Field Team has no objection to your doing the remaining drilling with long-hole percussion drills provided that all cuttings from mineralized sections of the hole are saved and properly identified and that the holes are properly washed between sample sections. We suggest that the holes might be drilled slightly upward to minimize retention of heavy cinnabar particles in the drill hole.

Nothing in the above is to be considered as permitting any increase in the total amount of the contract.

Your very truly,

ALASKA FIELD TEAM, REGION I

By _____
S. H. Loraine, Executive Officer
Member, Bureau of Mines

_____
C. L. Sainsbury
Member, Geological Survey

cc: C. L. Sainsbury
Operating Committee, DMEA
Decourcey Mt. Mining Co.

SHL/hc

Mr. S.H. Lorain
Executive Officer
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

Dear Mr. Lorain:

Enclosed are the originals and three copies of the Audit Certificates and the originals and two copies of the Audit Reports covering the following Exploration Project Contracts:

Docket	Contract	Operator	Type of Audit
DMEA-2564	Idm-E400	Tillicum Mining Co.	Final
" 2741	" 539	DeCoursey Mountain Mining Co.	Interim
" 2742	" 540	" " " "	Interim

The audit of the Operators' records covering these contracts was performed by Mr. Talbert during his recent visit to Region I.

The originals and one copy of each of the Audit Certificates and the original of each of the Audit Reports are for the files of the Regional Finance Officer. One copy of each of the Audit Certificates and the Audit Reports are for your files. One copy of each of the Audit Certificates and Audit Reports should be forwarded to the respective Operators.

The status of payments by the Government under these contracts, after consideration of the audit findings, may be stated as follows:

Contract	Amount of Audit Certificate	Payments To Date	Balance Due Operator
Idm-E400	$16,743.18	$16,058.28	$ 684.90
" 539	66,261.75	59,635.59	6,626.16
" 540	28,254.23	26,154.38	2,099.85

It is suggested that payment of the balance due the Tillicum Mining Company under contract Idm-E400 be processed at your earliest convenience in order to close the account. However, in the case of the two DeCoursey Mountain Mining Company contracts Idm-E539 and Idm-E540, it is suggested that payment of the balance due be withheld to protect the Government's interest pending:

(1) Under Idm-E539, completion of the contract and the rendition by the Operator of a final geological and engineering report, as well as the issuance by this Division of a final Audit Certificate or Report of Review; and

(2) Under Idm-E540, resumption of work after the authorized winter recess.

I wish to take this opportunity to express my appreciation for the courtesies extended to Mr. Talbert by you and your associates during his visit to your Region.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosures

EDTalbert/wb
April 14, 1954

Copy to: Docket
Amr. Reading File
Mr. Ellis
Mr. Chambers

XXXXXXXXXXXXXXXXXXX
Juneau, Alaska

April 21, 1954

DeCoursey Mountain Mining Co., Inc.
P. O. Box 1714
Anchorage, Alaska

Re: Docket No. DMEA-2742
Contract No. Idm-E540

Gentlemen:

I am enclosing herewith a copy of an Interim Audit Certificate and an Audit Report by Mr. E. D. Talbert, auditor for Defense Minerals Exploration Administration.

I believe that Mr. Talbert discussed these various items with you and that you all were in agreement with regard to the various disallowances. If you have any questions about this, please do not hesitate to let me know.

Yours sincerely,

S. H. Lorain
Executive Officer

Attachment

cc: J. L. Chambers, DMEA
Operating Committee, DMEA
C. L. Sainsbury
L. J. Wilcox

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

P. O. Box 560
Juneau, Alaska
April 6, 1954

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Diamond drilling results, Docket No. DMEA-2742
DeCoursey Mountain Mining Company (DeCoursey Mountain Mine)

After several months of effort I finally have obtained an up-to-date map of the drill holes at the subject operation and a copy of the drill logs; two copies of each are being enclosed herewith.

I have not had time to analyze these yet but will do so in the near future.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosures

cc: C.L.Sainsbury
J.A.Herdlick

DE COURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COURSEY MT. MINE

Hole Number: 15-1
Bearing: S 80 E
Dip: +3°

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge Wt. oz.	Formation	FeS	$CaCO_3$ stringers	SiO_2	HgS
1 to 4	27	-3		Gwk—few small vugs	-	-	-	-
4 to 9	26	-3		Gwk and shale inclusions (breccia)	-	x	-	-
9 to 14	30	-3		Gwk and shale interbedded, 4 in. dike at 14 feet.	x	x	-	-
14 to 19	40	-3		Gwk with a little shale	x	x	-	-
19 to 24	58	3-12		Gwk with a little shale	x	x	-	-
24 to 29	59	3-6		Gwk	-	x	-	-
29 to 34	54	3-6		Gwk to 31 ft.; 2 ft. sandy shale bedding 15°.	-	-	-	-
34 to 39	59	-3		Gwk and shale interbedded	-	-	-	-
39 to 44	59	-3		Gwk and shale interbedded; bedding at 15°.	-	x	-	-
44 to 49	55	-3		Gwk and shale; 4 inch dike at 46 foot.	x	x	-	-
49 to 52	24	-3		Gwk and shale	-	x	-	-
52 to 57	30	-3		Gwk and shale	-	x	-	-
57 to 62	39	3-8		Gwk and shale	-	-	-	-
62 to 67	57	3-6		Gwk and shale	x	x	-	-
67 to 72	24	-3	15	Gwk and shale	-	-	-	x*
72 to 77	36	-3	10 1/2	Gwk and shale	-	-	-	x**
77 to 82	53	-3		Gwk and shale; 6 in. dike at 82 feet.	xx	x	-	-
82 to 87	54	3-6		Gwk and shale	x	x	-	-
87 to 92	47	3-8		Gwk and shale	-	x	-	-
92 to 97	—			Clay	-	-	-	-

* Two broken fragments of about 30 lb. ore; ore did not core. Position of ore 70 to 72 feet.
** Trace in calcite stringer at about 76 foot.

DE COURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COURSEY MT. MINE

Hole Number: 15-2
Bearing: N 60 E
Dip: +2°

Footage	Core Recovered Inches	Max. Length Core Pieces	Sludge wt. oz.	Formation	FeS	$CaCO_3$	SiO_2	H_2S
1 to 5	16	-3	37	Gwk	-	-	x	x*
5 to 10	56	-6		Gwk	-	x	-	-
10 to 15	57	-6		Gwk and 1 ft. shale at 13 1/2 to 14 1/2 ft.	x	x	-	-
15 to 20	14	-3		Gwk	-	-	-	-
20 to 25	58	-11		Gwk	-	-	-	-
25 to 30	59	2-16		Gwk	-	x	-	-
30 to 35	42	4-12		Gwk	-	x	-	-
35 to 40	60	12-30		Gwk	-	-	-	-
40 to 45	60	2-22		Gwk	x	x	-	-
45 to 50	56	2-25		Gwk	x	x	-	-
50 to 54	47	1-29		Gwk	x	x	-	-
54 to 60	33	-16		Gwk (block off bit at 57 to 60 feet).	-	-	-	-
60 to 65	44	-9		Gwk	-	-	-	-
65 to 70	60	-31		Gwk	-	-	-	-
70 to 75	50	-23		Gwk	-	x	-	-
75 to 80	58	-8		Gwk	-	x	-	-
80 to 85	60	2-13		Gwk and 1 1/2 feet of shale at 81 1/2 to 83 feet.	x	-	-	-
85 to 90	34	-3		Gwk with a little shale	-	-	-	-
90 to 95	58			Gwk	-	-	-	-
95 to 100	57	-3		Gwk with a little shale	-	-	-	-
100 to 105	8	-3		Gwk and shale	-	-	-	-

* Trace of cinnabar in two small fragments—poor core.

DE COURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COURSEY MT. MINE

Hole Number: 15-3
Bearing: N 60 W
Dip: -1°

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge wt. oz.	Formation	FeS	$CaCO_3$	SiO_2	HgS
1 to 5	14	-3		Gwk with open fractures	-	-	-	-
5 to 10	24	-3		Gwk	-	-	-	-
10 to 15	22	-3		Gwk with 1 ft. dike cored	x	-	-	-
15 to 20	25	-3		Gwk with altered 10" dike at 15'	x	-	-	-
20 to 25	33	-3		Gwk altered	xx	-	-	-
25 to 30	59	4-13		Gwk & shale altered to 27'-dip 25°	x	-	-	-
30 to 35	28	-6	16	Gwk & shale bedding 25° off normal to hole	-	-	-	-
35 to 40	33	-3	28	Gwk—mostly shale 50°	-	-	-	-
40 to 45	28	-3	11	Shale	x	-	-	x*
45 to 50	52	-11		Shale	x	x		
50 to 55	35	-10		Gwk and shale	-	-	-	-
55 to 60	30	-3		Gwk—mostly shale 25°	-	x	-	-
60 to 65	24	-3		Gwk	x	x	-	-
65 to 70	30	-3		Gwk with altered 6 in. dike at 70 ft.	x	-	-	-
70 to 75	56	-3		Gwk and shale altered	x	-	-	-
75 to 80	52	-3		Gwk—mostly shale altered 45°	x	-	-	-
80 to 85	47	-3		Shale—mostly gwk altered	x	-	-	-
85 to 90	35	-6		Gwk and shale altered; 1 ft. dike at 85 ft.	x	-	-	-
90 to 95	42	-10		Porphyry	-	-	-	-
95 to 100	24	-3		Gwk and porphyry, block off bit at 99 ft.	-	-	-	-
100 to 105	43	-3		Porphyry and altered shale	x	-	-	-
105 to 110	6	-3		Porphyry	-	-	-	-
110 to 115	43	-3		Altered gwk	x	x	-	-
115 to 120	32	-3		Porphyry with altered gwk and shale	x	-	-	-
120 to 125	37	-3		Altered shale and gwk	x	-	-	-
125 to 130	54	-3		Altered shale	x	-	-	-
130 to 135	59	-3		Altered shale to 131.5 ft. then porphyry	x	-	-	-
135 to 140	60	-4		Porphyry	x	-	-	-
140 to 145	60	-6		Porphyry	x	-	-	-
145 to 150	54	-3		Altered shale	-	-	-	-
150 to 157	58	-6		Altered shale and gwk	x	x	-	-
157 to 160	15	-3		Altered gwk, porphyry	x	-	-	-

*Fragment of core 1/2 in. square showing high grade at -44 3/4 feet.

Note: Driller reported several stringers showing in sludge between 30 feet and 41 feet, the widest of which he estimated at 3 to 4 inches.

DE COURCY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COURCY MT. MINE

Hole Number: 15-4
Bearing: N 20 W
Dip: +3°

Footage	Core Recovered Inches	Max. Length Core Pieces	Sludge wt. oz.	Formation	FeS	$CaCO_3$	SiO_2	MgS
3 to 8	36	-3		Altered gwk and shale	x	-	-	-
8 to 11	29	-3		Altered gwk and shale	x	x	-	-
11 to 16	46	-8		Altered gwk and shale	x	-	-	-
16 to 21	14	-3		Gwk	x	-	-	-
21 to 27	60	-3		Altered gwk and shale;porphyry	x	-	-	-
27 to 32	59	-6		Porphyry	x	-	-	-
32 to 37	60	-19		Porphyry	x	-	-	-
37 to 42	26	-3		Porphyry; altered gwk and shale	x	-	-	-
42 to 47	60	-4		Altered gwk and shale; unaltered gwk.	x	-	-	-
47 to 52	56	-7		Gwk	-	x	-	-
52 to 57	60	-6		Gwk	-	-	-	-
57 to 61	10	-3		Gwk and shale	-	-	-	-
61 to 66	60	-9		Gwk and shale-brecciated	x	x	-	-
66 to 71	32	-9		Gwk and shale	-	-	-	-
71 to 76	60	-26		Gwk	-	-	-	-
76 to 81	60	-11		Gwk	-	-	-	-
81 to 84	25	-3		Gwk	-	x	-	-
84 to 89	60	-8		Gwk	-	x	-	-
89 to 94	60	-3		Altered Porphyry	x	-	-	-
94 to 99	60	-5		Altered Porphyry; shale and gwk.	x	x	-	-
99 to 102	28	-3		Altered Gwk and shale	x	x	-	-

DE COURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COURSEY MT. MINE

Hole Number: 15-6
Bearing: N 61 W
Dip: +30°

Footage	Core Recovered Inches	Max. Length Core Pieces	Sludge wt. oz.	Formation	FeO	$CaCO_3$	SiO_2	HgS
3 to 8	42	-3		Gwk and shale	-	-	-	-
8 to 13	55	-3		Gwk and shale—mostly shale	-	-	-	-
13 to 16	22	-3		Shale and gwk	-	-	-	-
16 to 21	50	-3	27	Gwk and shale	-	-	-	x*
21 to 23	15	-3	57	Gwk and shale	-	-	-	x**
23 to 28	47	-8		Gwk and shale	-	-	-	x***
28 to 31	20	-3		Gwk and shale	-	-	-	-
31 to 33	24	-8		Gwk	-	-	-	-
33 to 37	24	-3		Gwk and shale	-	-	-	-
37 to 42	52	-3		Shale and gwk; bedding normal to hole	-	-	-	-
42 to 47	52	-6	20	Shale and gwk	-	-	-	x****
47 to 52	55	-8		Gwk and shale	-	-	-	-

*At 20 feet showed 9 inches of low grade.
**Low grade all along.
***Low grade all along.
****Showed at 44 feet.

DE COURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COURSEY MT. MINE

Hole Number: 13-1
Bearing: N30 W
Dip: +30

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge Wt. oz.	Formation	Mgs
1 to 4	18	-2		Gwk and shale	-
4 to 9	36	-5		Gwk and shale	-
9 to 14	60	-6		Altered gwk and shale	-
14 to 19	60	-12		Altered gwk and shale	-
19 to 20	12	-5		Altered gwk and shale	-
20 to 23	36	-5		Altered shale	-
23 to 25	24	-3		Altered shale	-
25 to 30	30	-4		Altered gwk and shale; porphyry	-
30 to 35	40	-4		Porphyry	-
35 to 38	36	-4		Porphyry	-
38 to 43	40	-6		Porphyry	-
43 to 48	50	-6		Porphyry	-
48 to 80				Scrambled; porphyry at around 70 feet. Gwk and shale at 70 to 80 ft.	-
80 to 85	-60	-22		Gwk and shale—mostly shale	-
85 to 90	60	-20		Gwk and shale	-
90 to 95	60	-15		Gwk and shale	-
95 to 100	60	-30		Gwk and shale	-
100 to 105	60	-12		Porphyry to 102 1/2 ft. then gwk	-
105 to 110	60	-4		Gwk	-
110 to 115	60	-8		Gwk and shale	-

DE CORONA MT. MINING CO., INC.

DIAMOND DRILL LOG
DE CORONA MT. [illegible]

Hole Number: 13-2
Bearing: N 60 W
Dip: +30°

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge Wt. oz.	Formation	Hole
1 to 4	30	-6		Gwk	-
4 to 9	48	-6		Altered gwk and shale	-
9 to 13	30	-3		Altered gwk and shale	-
13 to 18	54	-3		Altered gwk and shale	-
18 to 23	54	-12		Altered gwk and shale	-
23 to 28	60	-6		Altered gwk and shale	-
28 to 33	60	-8		Altered Gwk and shale	-
33 to 38	60	-8		Porphyry	-
38 to 43	60	-6		Porphyry	-
43 to 48	60	-12		Porphyry	-
48 to 51	36	-8		Porphyry	-
51 to 55	48	-8		Porphyry	-
55 to 60	60	-6		Porphyry	-
60 to 65	60	-6		Porphyry to 62 foot—then gwk and shale	-
65 to 70	60	-3		Altered gwk and shale	-
70 to 75	60	-6		Altered gwk and shale	-
75 to 80	60	-8		Gwk and shale to 79 feet—then porphyry	-
80 to 85	60	-6		Porphyry to 82 1/2 feet—then gwk and shale	-
85 to 90	60	-3		Gwk and shale, altered	-
90 to 95	60	-4		Gwk and shale, altered	-
95 to 100	60	-16		Gwk and shale, altered	-

DE SOUCEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DE SOUCEY MT. MINE

Hole Number: 13-3
Bearing: N 32 E
Dip: +30°

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge Wt. oz.	Formation	Hg
1 to 3	24	-2		Gwk and shale	-
3 to 6	36	-4		Gwk and shale	-
6 to 11	60	-6		Gwk and shale	-
11 to 16	60	-6		Gwk and shale	-
16 to 21	60	-6		Gwk and shale	-
21 to 26	60	-6		Gwk and shale; Porphyry at 25 ft.	-
26 to 31	60	-6		Porphyry to 30 ft., then gwk and shale	-
31 to 36	60	-6		Gwk and shale	-
36 to 41	60	-6		Gwk and shale	-
41 to 46	60	-8		Gwk	-
46 to 51	60	-8		Gwk and shale	-
51 to 55	48	-8		Gwk and shale	-
55 to 60	60	-6		Gwk and shale	-
60 to 63	36	-3		Gwk and shale	-
63 to 67	48	-6		Gwk and shale	-
67 to 72	48	-3		Gwk and shale	-
72 to 77	56	-12		Gwk and shale	-
77 to 80	36	-4		Gwk and shale	-

DE COUSSIE PT. MINING CO., INC.

DIAMOND DRILL LOG
DE COUSSIE PT. [illegible]

Hole Number: 13-4
Bearing: N 42 E
Dip: +27°

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge Wt. oz.	Formation	Hg
1 to 4	36	-3		Gulch and shale	-
4 to 9	60	-6		Gulch and shale; porphyry at 8 to 10 feet.	-
9 to 14	60	-4		Gulch and shale	-
14 to 19	54	-6		Gulch and shale	-
19 to 23	44	-8		Gulch and shale; porphyry at 18 to 22 feet.	-
23 to 26	30	-8		Gulch and shale; porphyry at 25 to 26 feet.	-
26 to 31	60	-6		Gulch and shale; porphyry at 29 to 30 feet.	-
31 to 36	60	-14	10	Gulch and shale	x*
36 to 42	60	-6		Gulch and shale	-
42 to 47	60	-6		Gulch and shale	-
47 to 52	48	-14		Gulch and shale	-

* at 35 1/2 feet.

DE CALB MT. MINING CO., INC.

DIAMOND DRILL LOG
DE COLB COUNTY MT. OHIO

Hole Number: 13-5
Bearing: S 67 E
Dip: +3°

Footage	Core Recovered Inches	Max. length Core Pieces	Sludge Wt. oz.	Formation	HgS
1 to 5	48	-10		Gwk:	-
5 to 10	24	-12		Gwk and shale	-
10 to 15	60	-8		Gwk and shale	-
15 to 20	60	-12		Gwk:	-
20 to 25	60	-18		Gwk	-
25 to 30	60	-24		Gwk	-
30 to 35	60	-36		Gwk	-
35 to 39	48	-12		Gwk and shale	-
39 to 44	60	-22		Gwk and shale	-
44 to 49	60	-8		Gwk	-
49 to 53	36	-8		Gwk; Calcite Breccia	-
53 to 58	60	-4		Gwk and shale; Calcite Breccia	-
58 to 63	60	-4		Gwk and shale	-
63 to 68	60	-6		Gwk and shale	-
68 to 73	60	-8		Porphyry to 71 feet; Gwk and shale	-
73 to 78	60	-6		Gwk and shale	-
78 to 83	54	-8	18	Gwk and shale	x*
83 to 88	60	-7	16	Gwk and shale	x**
88 to 93	12	-1		Gwk and shale	-
93 to 98	60	-12		Gwk and shale; 20 inch porphyry dike at 97 feet.	-
98 to 103	54	-6	20	Gwk and shale	x***
103 to 108	48	-15		Gwk and shale	-
108 to 110	20	-5		Gwk and shale	-

* 4 inch showing at 82 feet.
** 2 inch showing at 86 feet.
*** low grade at 102 to 103 feet.

DMEA 2742 IDM-E 540
DECOURSEY MT. MINING CO., INC.

CC OF REGION LETR. 12/18/53 rec'd 12/28/53
re payment vouchers for month of Nov. 1953.

only one copy rec'd and sent to division Code 700

12/29/53 gla
Operating Committee
DMEA

XXXXXXXXXXXXXXXXXX

P. O. Box 560
Juneau, Alaska
December 18, 1953

Orvel R. May, Director
DeCourcey Mt. Mining Co., Inc.
P. O. Box 1714
Anchorage, Alaska

re: Docket No. DMEA 2742
DeCourcey Mt. Mining Company
(DeCourcey Mt. Mine)

Dear Mr. May:

We have just received your letter of December 10 in which you ask about the permissibility of submitting payment vouchers for the month of November 1953.

We are very sorry to have to tell you that the terms of "Amendment No. 1" definitely states that the project shall be closed from November 1, 1953 to May 1, 1954 and that the Government shall not contribute to any costs incurred by the operator during that period. In view of these very specific statements in the amendment it would not be possible for this office to make voucher payments covering the month of November unless you obtain specific approval from the D.M.E.A. Administrator in Washington.

It was our definite understanding through conversations with Mr. Dodd and from reports received by one of our staff geologists that your operations at DeCourcey Mountain had practically ceased late in October; therefore it seemed that November 1st was the proper date to specify for beginning of cessation of operations for the winter. Furthermore we wish to point out that, unless more work has been done than has been reported to this office, your rate of progress has been running considerably behind the rate of expenditures; therefore we doubt if D.M.E.A. would look favorably upon any additional payments. We hope that we are wrong about this and that the work you did during November has brought the accomplishments into line with expenditures.

We all realize that you have been up against the very tough job of starting two new operations in an isolated district and we hope sincerely that these efforts will begin to pay off during the new year.

Yours sincerely,

ALASKA FIELD TEAM, REGION I

S. H. Lorain, Executive Officer
Bureau of Mines Member

C. L. Sainsbury
Geological Survey Member

cc: Operating Committee
C. L. Sainsbury
J. A. Herdlick

xxxxxxxxxxxxxxxxxxx

P. O. Box 560
Juneau, Alaska
December 10, 1953

MEMORANDUM

To: Operating Committee
Washington 25, D. C.

From: S. H. Lorain

Subject: Progress report Docket No. DMEA 2741
Docket No. DMEA 2742
DeCoursey Mountain Mining Company

Enclosed herewith are two copies each of a narrative report, logs of diamond drill holes 15-3, 15-4, 15-5 (DeCoursey Mountain Mine), and sketch maps showing position of the diamond drill holes that have been drilled at the DeCoursey Mountain Mine.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosures 3

cc: C. L. Sainsbury

DECOURSEY MT. MINING CO., INC.
SLEITMUTE, ALASKA

November 20, 1953

PROGRESS REPORT
RED DEVIL AND DECOURSEY MT. MINES

RED DEVIL MINE:

The existing shaft was deepened 120 feet. Sump and pocket has been completed. Eighty five feet of cross cut has been completed and drifting on the shear zone is in progress with 40 feet of drift completed to date. The shear zone is well defined and carries considerable calcite and pyrite mineralization. To date no important cinnabar or stibnite mineralization has been encountered however the drifts have not been driven far enough yet to come under the ore shoots, as found above, on their downward extension and decided easterly rake. The zone of disturbance is approximately the same width as found in the upper workings, that is 30 feet.

DECOURSEY MT. MINE:

Serious difficulty in securing competent drilling personell has hampered progress in the drilling program at the DeCoursey mine. To date slightly over 800 feet of holes have been drilled. Attached to this report are overlays showing holes drilled together with sludge assays where cinnabar mineralization was encountered. Assays were made on the sludge samples at the U. S. Bureau of Mines laboratory at Juneau, Alaska. Drill logs for holes No. 15-3; 15-4; 15-5 are attached hereto. Drill logs for holes No. 13-1 and 13-2 have not been completed but will be submitted with the next report.

Sludge samples for assay, from hole No. 15-5 are being sent to the U. S. Bureau of Mines laboratory at Juneau.

Paul M. Sorensen

Paul M. Sorensen
Gen. Supt.

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. 15-3
Continuation from last report on this hole

Footage	Core recovery inches	Max. length unbroken core in.	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	H_2S
100 to 105	43	-3	—	porphyry & altered shale	x	—	—	—
105 to 110	6	-3	—	porphyry	—	—	—	—
110 to 115	43	-3	—	altered graywacke	x	x	—	—
115 to 120	32	-3	—	porphyry, altered graywacke & shale	x	—	—	—
120 to 125	37	-3	—	altered shale & gwk	x	—	—	—
125 to 130	54	-3	—	altered shale	x	—	—	—
130 to 135	59	-3	—	1.5 ft. altered shale, balance porphyry	x	—	—	—
135 to 140	60	-4	—	porphyry	x	—	—	—
140 to 145	60	-6	—	porphyry	x	—	—	—
145 to 150	54	-3	—	altered shale	x	—	—	—
150 to 157	58	-6	—	altered shale & gwk	x	x	—	—
157 to 160	15	-3	—	altered gwk, porphyry	x	—	—	—

Hole No. 15-4
Bearing N 30 degrees W
Dip of hole plus 3 degrees

Drilling Station at
Survey Station No. 15

Footage	Core recovery inches	Max. length unbroken core. in.	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	H_2S
0 to 8	36	-3	—	altered gwk, shale	x	—	—	—
8 to 11	29	-3	—	altered gwk, shale	x	x	—	—
11 to 16	46	-8	—	altered gwk, shale	x	—	—	—
16 to 21	14	-3	—	gwk	x	—	—	—
21 to 27	60	-3	—	altered gwk, shale, porphyry	x	—	—	—
27 to 32	59	-6	—	porphyry	x	—	—	—
32 to 37	60	-19	—	porphyry	x	—	—	—
37 to 42	26	-3	—	porphyry, altered gwk & shale	x	—	—	—
42 to 47	60	-4	—	altered gwk & shale	x	—	—	—
47 to 52	56	-7	—	gwk	—	x	—	—
52 to 57	60	-6	—	gwk, shale	—	—	—	—
57 to 61	10	-3	—	gwk & shale	—	—	—	—
61 to 66	60	-9	—	gwk & shale brecciated	x	x	—	—
66 to 71	32	-9	—	gwk & shale	—	—	—	—
71 to 76	60	-26	—	gwk	—	—	—	—
76 to 81	60	-11	—	gwk	—	—	—	—
81 to 84	25	-3	—	gwk	—	x	—	—
84 to 89	60	-8	—	gwk	—	x	—	—
89 to 94	60	-3	—	altered porphyry	x	—	—	—
94 to 99	60	-5	—	altered porphyry gwk	x	x	—	—
99 to 102	28	-3	—	altered gwk & shale	x	x	—	—

DECOURSEY MT. MINING CO., [illegible]C.

DIAMOND DRILL LOG
DECOURSEY MINE

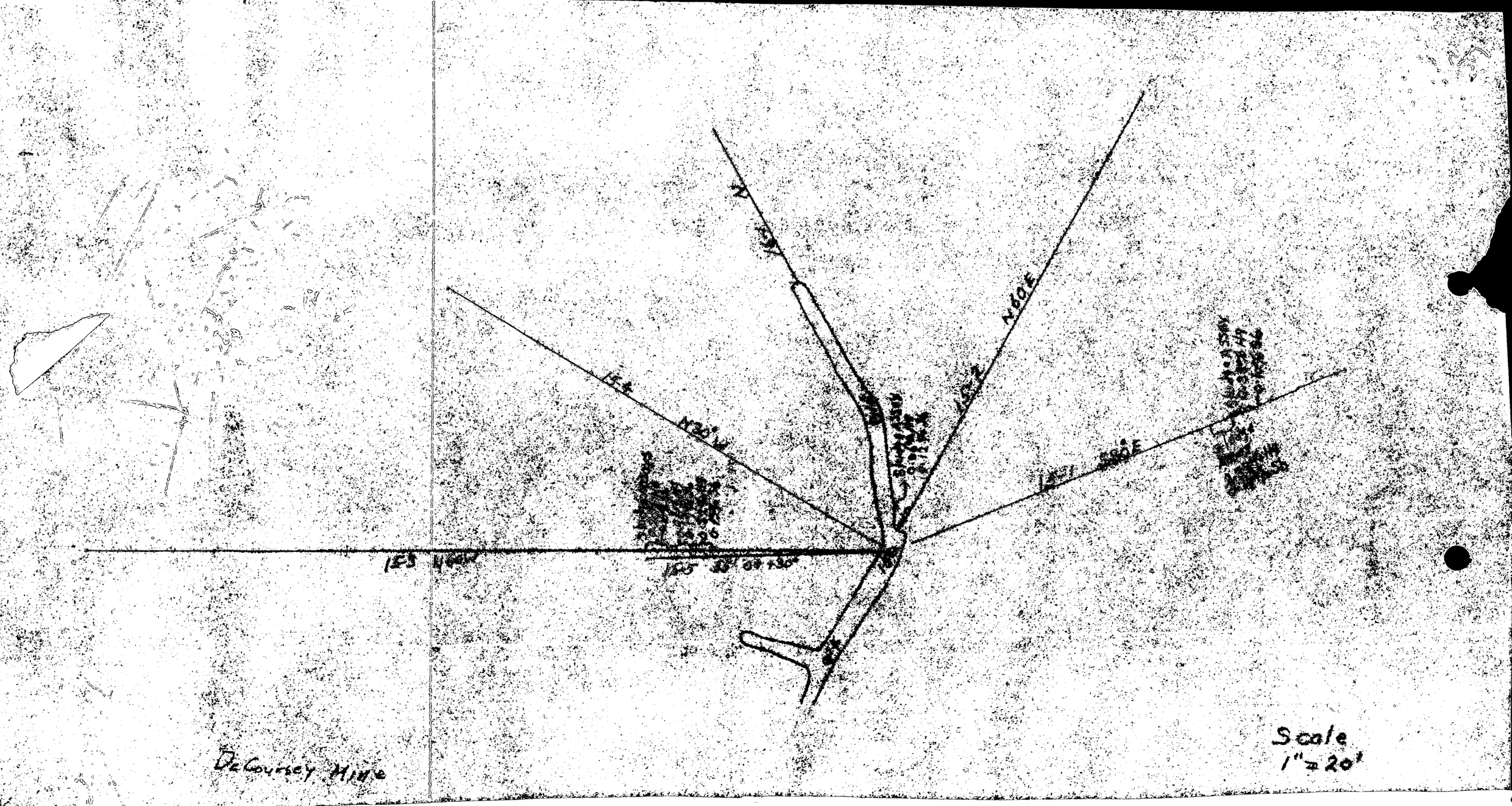
Hole No. 15-5
Bearing N 30 degrees W
Dip of hole plus 30 degrees

Drilling Station at
Survey Station No.15

Footage	Core recovery inches	Max. length unbroken core	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
[illegible] to 8	42	-3	—	gwk & shale	—	—	—	—
8 to 13	[illegible]5	-3	—	gwk & shale, mostly shale	—	—	—	—
13 to 16	22	-3	—	shale & gwk	—	—	—	—
16 to 21	58	-3	27	gwk & shale	—	—	—	x
21 to 28	62	-8	57	gwk & shale	—	—	—	x
28 to 31	20	-3	—	gwk & shale	—	—	—	—
31 to 33	24	-8	—	gwk	—	—	—	—
33 to 37	24	-3	—	gwk & shale	—	—	—	—
37 to 42	52	-8	—	shale & gwk bedding normal to hole	—	—	—	—
42 to 47	52	-6	20	shale & gwk	—	—	—	x
47 to 52	55	-8	—	gwk & shale	—	—	—	—

Note:

At 20 foot mark 9 inches low grade.
From 21 foot mark to 28 foot mark low grade ore total length.
At 44 foot mark 11 inches low grade ore.



DeCourcey Mine

13-1 N 30° W

13-2

DECOURSEY MT. MINING CO., [illegible]C.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. 15-3
Continuation from last report on this hole

Footage	Core recovery inches	Max. length unbroken core in.	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
								**
100 to 105	43	-3	—	porphyry & altered shale	x	—	—	—
105 to 110	6	-3	—	porphyry	—	—	—	—
110 to 115	43	-3	—	altered graywacke	x	x	—	—
115 to 120	32	-3	—	porphyry, altered graywacke & shale	x	—	—	—
120 to 125	37	-3	—	altered shale & gwk	x	—	—	—
125 to 130	54	-3	—	altered shale	x	—	—	—
130 to 135	59	-3	—	1.5 ft. altered shale, balance porphyry	x	—	—	—
135 to 140	60	-4	—	porphyry	x	—	—	—
140 to 145	60	-6	—	porphyry	x	—	—	—
145 to 150	54	-3	—	altered shale	x	—	—	—
150 to 157	58	-6	—	altered shale & gwk	x	x	—	—
157 to 160	15	-3	—	altered gwk, porphyry	x	—	—	—

Hole No. 15-4
Bearing N 30 degrees W
Dip of hole plus 3 degrees

Drilling Station at
Survey Station No. 15

Footage	Core recovery inches	Max. length unbroken core in.	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
0 to 8	36	-3	—	altered gwk, shale	x	—	—	—
8 to 11	29	-3	—	altered gwk, shale	x	x	—	—
11 to 16	46	-8	—	altered gwk, shale	x	—	—	—
16 to 21	14	-3	—	gwk	x	—	—	—
21 to 27	60	-3	—	altered gwk, shale, porphyry	x	—	—	—
27 to 32	59	-6	—	porphyry	x	—	—	—
32 to 37	60	-19	—	porphyry	x	—	—	—
37 to 42	26	-3	—	porphyry, altered gwk & shale	x	—	—	—
42 to 47	60	-4	—	altered gwk & shale	x	—	—	—
47 to 52	56	-7	—	gwk	—	x	—	—
52 to 57	60	-6	—	gwk, shale	—	—	—	—
57 to 61	10	-3	—	gwk & shale	—	—	—	—
61 to 66	60	-9	—	gwk & shale brecciated	x	x	—	—
66 to 71	32	-9	—	gwk & shale	—	—	—	—
71 to 76	60	-26	—	gwk	—	—	—	—
76 to 81	60	-11	—	gwk	—	—	—	—
81 to 84	25	-3	—	gwk	—	x	—	—
84 to 89	60	-8	—	gwk	—	x	—	—
89 to 94	60	-3	—	altered porphyry	x	—	—	—
94 to 99	60	-5	—	altered porphyry, gwk	x	x	—	—
99 to 102	28	-3	—	altered gwk & shale	x	x	—	—

DECOURSEY MT. MINING CO., INC.

DIAMOND DRILL LOG
DECOURSEY MINE

Hole No. 15-5
Bearing N 30 degrees W
Dip of hole plus 30 degrees

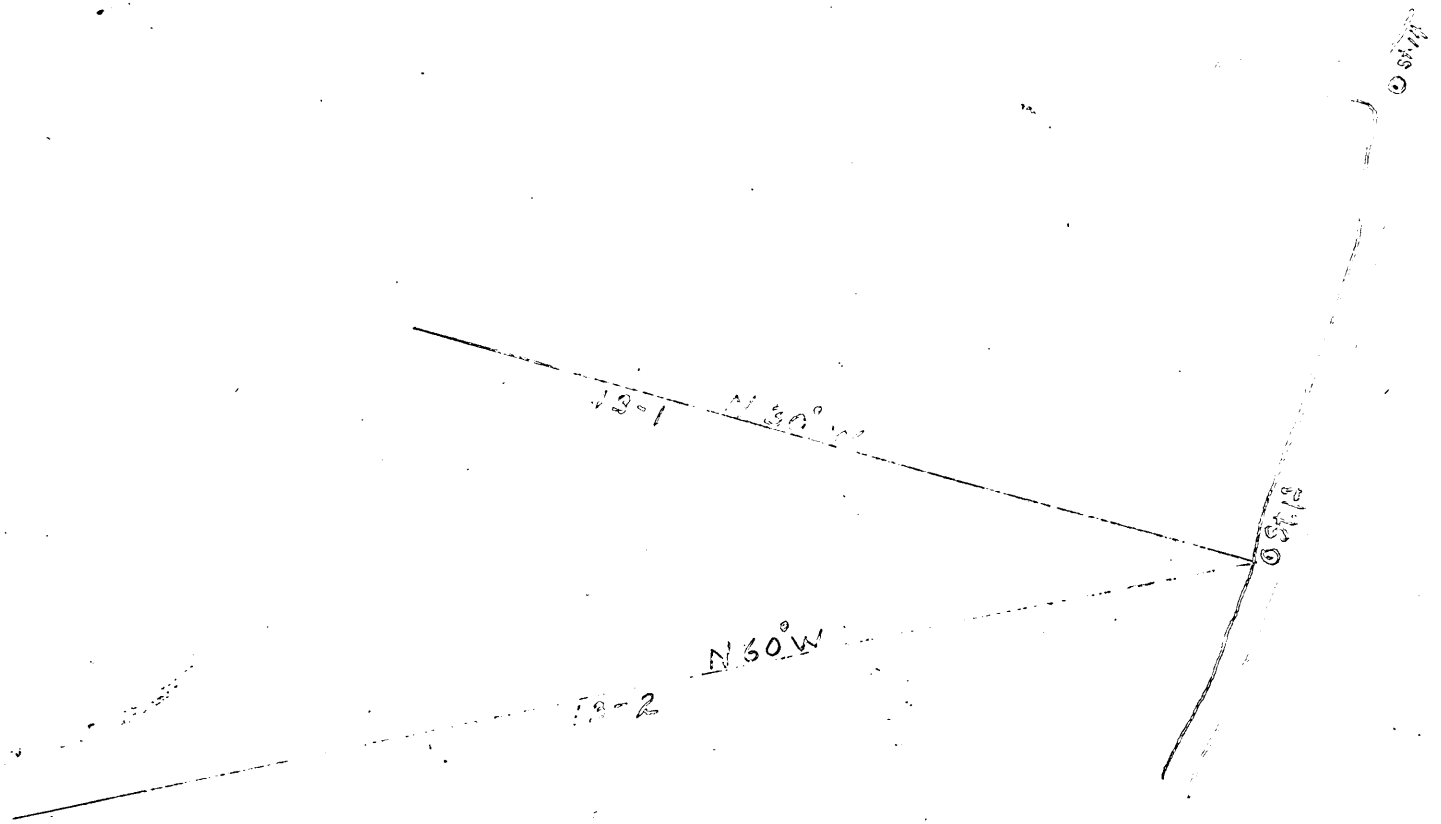
Drilling Station at
Survey Station No.15

Footage	Core recovery inches	Max. length unbroken core	Sludge wt. oz.	Formation	FeS_2	$CaCO_3$	SiO_2	HgS
0 to 8	42	-3	—	guk & shale	—	—	—	—
8 to 13	45	-3	—	guk & shale, mostly shale	—	—	—	—
13 to 16	22	-3	—	shale & guk	—	—	—	—
16 to 21	58	-3	27	guk & shale	—	—	—	x
21 to 28	62	-8	37	guk & shale	—	—	—	x
28 to 31	20	-3	—	guk & shale	—	—	—	—
31 to 33	24	-8	—	guk	—	—	—	—
33 to 37	24	-3	—	guk & shale	—	—	—	—
37 to 42	52	-8	—	shale & guk bedding normal to hole	—	—	—	—
42 to 47	52	-6	20	shale & guk	—	—	—	x
47 to 52	55	-8	—	guk & shale	—	—	—	—

Note:

At 20 foot mark 9 inches low grade.
From 21 foot mark to 28 foot mark low grade ore total length.
At 44 foot mark 11 inches low grade ore.

15-3 N60W
15-5 55' @ 130°
N30°W
15-4
15-2
N55
15-1
Stuffing Assay
0.0862 AU
0.1250 Cu
Stuffing Assay
0.0862 AU
0.1250 Cu
Stuffing Assay
0.0862 AU
0.1250 Cu
Stuffing Assay
0.0862 AU
0.1250 Cu
150



De Courcey Case

Scale
1" = 20'

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 7 - 1953

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

P. O. Box 560
Juneau, Alaska
December 3, 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Amendment No. 1, Docket No. DMEA-2742
DeCoursey Mountain Mining Company, Inc.

Enclosed herewith are the signed Government, Docket and Division copies of the subject amendment.

The Operator's copy has been retained by the operator; the Field Team copy and the Finance Office copy have been distributed properly.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosures 3

cc: C.L.Sainsbury

ce
12-7

FILE COPY
140 SURNAME:

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

11-16

NOV 16 1953

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I
Bureau of Mines
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA-2742 (Mercury)
DeCoursey Mountain Mining
Company, Inc.
4th Judicial Division
Territory of Alaska
Contract No. Idm-E540

Dear Mr. Lorain:

Reference is made to your letter of November 5 to the Operating Committee in the above-entitled matter.

Enclosed herewith is an amendment extending the time for performance to eighteen months and recessing the work until May 1, 1954, as requested, duly signed by the Administrator. When this amendment has been executed by the Operator, please see that the usual distribution of copies is made.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

AEKane/emd 11/12/53

Copy to: Docket
Op. Comm.
Adm. R. File
J. H. Hedges
T. P. Thayer
E. W. Ellis
J. L. Hofflund
A. E. Kane
chron.
pending

R.C.G.
11-16-53

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

P. O. Box 560
Juneau, Alaska
November 5, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Amendment for time extension, Docket DMEA-2742 (mercury) [Idm-E5407]
DeCoursey Mountain Mining Company (DeCoursey Mountain Mine)

We have received a request for a time extension of six months to complete the subject contract. A copy of the request is attached herewith.

The contract, dated June 3, 1953 was to have been completed within 12 months; that is by June 3, 1954. The proposed extension would allow them until December 3, 1954. Expenditures, as of September 30, 1953, had been $32,085.12 - the total contract for "Stage I" was to be $42,000. Expenditures during August and September averaged approximately $5,000 a month. Exact diamond drill footage completed has not been reported but it is estimated that, to the end of October about 500 feet of drilling will have been completed. This obviously, is far short of the 2,500 foot contract (Stage I) but it is assumed that the company will be required to complete at its own expense.

Because of the remote situation of the operation we do not have the final drilling results. However sludge assays from a ten foot section of Hole No. 15-1 averaged 37.2 pounds Hg./ton and sludge assays from a ten foot section of Hole No. 15-3 averaged 17.8 pounds Hg./ton. Unconfirmed reports indicate that a considerable section of high-grade ore was encountered in subsequent drilling.

In view of these favorable results the Field Team recommends that an amendment granting a six month time extension be granted but only with the expressed provision that the contract requirements be completed within the allowable costs.

ALASKA FIELD TEAM, REGION I

S. H. Lorain, Executive Officer
Bureau of Mines Member

Enclosure

(absent in field)
C. L. Sainsbury
U. S. Geological Survey Member

cc: C.L.Sainsbury
J.A.Herdlick

C
O
P
Y

October 24, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 1953

Mr. S. H. Lorain, Executive Officer
D.M.E.A. Field Team, Region I
Juneau, Alaska

Dear Mr. Lorain:

On behalf of the DeCoursey Mt., Mining Co., Inc., I am submitting a formal request that D.M.E.A. permission be granted the company to suspend the exploration program at DeCoursey Mountain Mine for a period of approximately six months, or until about May 1, 1954. The reasons for this request are:

1 - General winter temperatures at DeCoursey Mountain are in the 40 to 50 degree below zero range. Snow fall amounts to an average of 48 to 60 inches. The site of the Lymon Tunnel, in which diamond drilling is in progress, is approximately one mile distant and approximately 200 feet higher than the camp site. It is very doubtful that a drill crew would make the trip to and from the working place each day in deep snow and the low temperature. Should men be located who would make this daily trip to and from the working place their efficiency would be low, working time at the drill would be reduced and a much smaller return from oney expended would be realized than if the work was done during the spring and summer months.

2 - Communications between the two projects of the company, the DeCoursey Mountain Mine and the Red Devil Mine, depends entirely upon airplane travel. This at best is not too good. During the stormy winter months it is my belief that airplane communications will be so irregular that satisfactory supervision of the program will be practically impossible. The one plane that had figured in our plans for winter communications was completely wrecked but a few days ago.

Because of the above we formally request that an extension of six months be granted the DeCoursey Mt. Mining Co., Inc., to complete the DeCoursey Mt. Mine project.

Very truly yours,

s/Paul M. Sorensen
Gen. Supt.

C
O
P
Y

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

P. O. Box 560
Juneau, Alaska
October 16, 1953

RECEIVED
OCT 16 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Sludge assays from diamond drilling
Docket No. DMEA 2742
DeCoursey Mountain Mining Company

Enclosed herewith are two copies of assays of samples just received from the subject project; the maps are being sent under separate cover.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosure

cc: C.L.Sainsbury

6-303
(March 1947)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

No. Mining -215

Report to Mr. DMEA DeCourcey

Chemical Laboratory Report

Date received Sept. 30, 1953

Date reported Oct. 8, 1953

Serial No.	DESCRIPTION	Lot No.	Hg	Sb
3221	Sludge Hole 15-1 ?-72 ft.		2.38	0.17
3222	" Hole 15-1 72-77 ft.		0.34	/0.10
3223	" Hole 15-2 1-5 ft.		0.06	0.12
3224	" Hole 15-3 30-35 ft.		0.20	/0.10
3225	" Hole 15-3 35-40 ft.		0.96	0.17
3226	" Hole 15-3 40-45 ft.		0.82	0.13

U. S. GOVERNMENT PRINTING OFFICE 16—33553-3

Signed

Dean H. Bollman, Chemist, USBM, Reg. I

12/8/53 gla

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 7 - 1953

xxxxxxxxxxxxxxxxxxxx

P. O. Box 560
Juneau, Alaska
December 3, 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Amendment No. 1, Docket No. DMEA-2742
DeCoursey Mountain Mining Company, Inc.

Enclosed herewith are the signed Government, Docket and Division copies of the subject amendment.

The Operator's copy has been retained by the operator; the Field Team copy and the Finance Office copy have been distributed properly.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosures 3

cc: C.L. Sainsbury

mbc

Amend #1

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

P. O. Box 560
Juneau, Alaska
October 16, 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Operator's progress map
Docket No. DMEA 2742
DeCoursey Mountain Mining Company, Inc.
(DeCoursey Mountain Mine)

Enclosed herewith are two copies of an undated progress map which was received recently from the DeCoursey Mountain Mining Company.

The monthly financial reports have been sent to you under separate cover.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosure

cc: C.L.Sainsbury

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
P. O. Box 560
Juneau, Alaska
June 17, 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration
Washington 25, D. C.

From: S. H. Lorain, Regional Director, Region I

Subject: Signed contract IDM-E 540
Docket No. DMEA-2742
Decoursey Mountain Mining Co.

Enclosed herewith are the Government, Division, and Docket copies of the subject contract. All copies have been signed by the operators.

The Operator's copy has been retained by the operator. The Finance Office and Field Team copies have been retained by this office.

The operator has called our attention to the fact that "Annex III" does not state the royalty percentage after "as follows:"

The operator also mentions that, under exhibit "A" you require seven day operation but allow only time and one half for overtime. He asks about conflict with NLRB and Taft Hartley (double time) for Sunday and holiday overtime. Please give us a ruling on this.

ALASKA FIELD TEAM, REGION I

S. H. Lorain, Executive Officer
Bureau of Mines, Member

cc 6-22

cc: C. L. Sainsbury

700
FILE COPY
SURNAME:

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

Mr. B. R. Lorain
Executive Officer, Region I
DMA Field Team
P. O. Box 540
Juneau, Alaska

AIR MAIL

JUN 3 1953

Re: McCoursey Mountain Mining Company
Docket No. DMA-2741 (Mercury)
Red Devil Mine
Georgetown Mining & Recording District
4th Judicial Division, Alaska
Docket No. DMA-2742 (Mercury)
McCoursey Mountain Mine
Otter Mining and Recording District
4th Judicial Division, Alaska

Dear Mr. Lorain:

Enclosed are the original and five copies of the captioned contracts signed by the Government, with attachments.

If the terms and conditions of these contracts meet with the approval of your office and the operator, insert in Article 3 of each contract the period of time within which the Operator will be required to begin this work, then the originals and all copies are to be signed by the company official authorized to sign the contracts. Upon obtaining the signature, kindly make the usual distribution of the copies of these contracts.

If any part of these contracts does not meet with the approval of the Operator, the original and all copies are to be returned to this office with the proposed changes for consideration.

The original application in Docket DMA-2741 was revised to a total amount of $84,275.00 and the total amount of the contract was approved at $[illegible],319.00, the difference being due to the cost of a foreman and additional wages allowed for a leadman to supervise the work. This question was discussed with you and Mr. Dodd, President of the company.

The original application in Docket No. DMA-2742 was revised to a total amount of $51,000.00, and the contract is approved for that amount.

APPROVED:

H. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

F.N. 6-3-53

Mr. Ellis
Mr. Knowse
DMA Field Team I

Messrs. H.H.Meyer, Rm. 3623
A.R.Kinkel, Rm. 3-2424, USGS

Adm. Hearing File
Operating Committee
Docket

Approved/Correspondence to 4-20-53

EWEllis/db

FILE COPY
SURNAME:
Docket

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

DMEA
14X3923.970 Working
Fund, DMEA, Interior

JUN 3 1953

Day Letter

EDWARD N. DODD, PRESIDENT
DE COURSEY MOUNTAIN MINING COMPANY
P. O. BOX 523
ANCHORAGE, ALASKA

REOURTEL MAY 15 DENYING YOUR EXPLORATION APPLICATIONS, DOCKET NUMBERS DMEA-2741 and DMEA-2742, THIS IS TO ADVISE YOU THAT RESTRICTED PROGRAM DIRECTIVE DATED APRIL 15 MODIFIED ON JUNE 1 GIVING DMEA AUTHORITY TO EXECUTE YOUR CONTRACTS WHICH WERE PENDING PRIOR TO MAY 15. ACCORDINGLY CONTRACTS WILL BE SIGNED BY ME AND MAILED TO REGIONAL OFFICE AT JUNEAU, ALASKA, FOR SUBMISSION TO YOU.

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

P.N.
6-3-53

EWEllis/db
6-2-53
cc to: Adm. Reading File
Docket DMEA-2741
Docket DMEA-2742
Messrs. H.M.MEyer, Rm. 3623
A.R.Kinkel, Jr., Rm.B-242A, GSA
Ellis
Knouse
DMEA Field Team, Region I (2)

FILE COPY
SURNAME:

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

MAY 1 5 1953

~~JUN 3 1953~~

C. O. Mittendorf

Mitchouse/ la
5-15-53
cc to: Reading File
Docket DMA-27.1
DMA-27.2
Messrs. Meyer, Inkel, Ellis, Mitchouse
Dallas Field Team, Region I (2)

FILE COPY
SURNAME:

140

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

Rubin

May 1, 1953

M.S. in R.R.

Memorandum

To: The Administrator
Through: Mr. E. W. Ellis

From: Chief Counsel

Subject: DeCoursey Mountain Mining Company, Incorporated
Docket No. DMEA-2742

This supplements our memorandum dated April 28 concerning the above-described project.

In regard to paragraph 2 of that memorandum, the Operator's attorney has shown us, and will furnish us with a copy, a deed conveying rights in a tunnel location, located April 12, 1953. Moreover, Mr. Bradshaw of the Bureau of Land Management has informally advised us that the Operator's right to use the tunnel, based upon his lease of placer claims, would appear to be sufficient without the tunnel location. Accordingly, the condition in paragraph 2 of our memorandum dated April 28 has been satisfied.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

HCRubin:ep

Copy to: Mails & Files
Mr. Hofflund
Mr. Rubin
Chron.

FILE COPY
SURNAME:

Rubin
McKane

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

April 28, 1953

M. S. in R. v R.

Memorandum

To: The Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: DeCoursey Mountain Mining Company, Incorporated - Docket No. DMEA-2742

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the comments which follow:

The Executive Officer, Mr. Lorain, has called to our attention the fact that the Lyman tunnel is located on land outside of the project land and that the Operator's right to use the tunnel is based upon a lease of placer claims, on one of which claims the tunnel is located. Mr. Lorain pointed out that a lease of a placer claim is inadequate to validly grant the right to use a tunnel which exists on it, and that a lease of a lode mining claim or of a tunnel location is necessary to grant such right. Mr. Lorain has informed the Operator of this fact. Therefore, the contract should not be executed until the Operator furnishes the Government with copies of a lease based upon either a lode mining claim or a tunnel location.

It should be noted that the contract provides for Government participation in two rental-purchase agreements, contrary to expressed policy (See DMEA Circular 21, Supplement 1). The contract requires the Operator to furnish the Government with copies of these agreements.

aCKane
for J. L. Hofflund
Chief Counsel

HCRubin/ema
cc: Mails & Files
J. L. Hofflund
H. C. Rubin
Chron.

Attachments

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

Draft

DOCKET N[redacted]MEA-2742

COMMODITY Mercury

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] DeCoursey Mountain Mining Company, an Alaskan Corporation
P. O. Box 523
Anchorage, Alaska

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Territory of Alaska, County of 4th Judicial Division, described as follows: [3] Known as The DeCoursey Mountain Mine, located in the Otter Mining and Recording District consisting of the Snow Bird Nos. 1 to 5, inclusive and Last Chance Nos. 1 to 3, inclusive, mining claims, as shown on the attach map, Figure 2. and made a part of the contract. The property included in the contract is further described on Annex II attached hereto the Operator represents and undertakes: [4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

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

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

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

in or upon the described land; and shall bring the project to completion within a period of 12 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*b*) The Government's payments [illegible]l cases will be based on actual, necessar[illegible]ts (including contract unit prices) incurred not in excess of any "allowable [illegible]aximum," and not in excess of the fixed percen[illegible] of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $60,750.00, which is 75 percent of $81,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* Article 2, addition: Operator will provide essement or lease or other agreement giving right for a period of ten years to use Lyman Tunnel and sufficient area arround it for the purpose of this contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DeCoursey Mountain Mining Company
(Operator)

By

Administrator, Defense Minerals Exploration Administration

By

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
DeCOURSEY MOUNTAIN MINE
DOCKET NO. DMEA-2742

ANNEX II

Property consists of eight lode mining claims recorded in the Commissioner's office at McGrath, Alaska:

Lode Mining Claims	Recorded Date	Amended* Location Date	Book Number	Page Number
Snow Bird No.1	5-27-29		Vol. 2-9	266
" " No.2	5-27-29	10-21-43	Vol. 2/9	287
" " No.3	5-27-29	10-21-43	Vol. 4	311
" " No.4	5-22-36		Vol. 4	311
" " No.5	5-22-36		Vol. 4-12	211
Last Chance No.1		10-21-43		
" " No.2		10-21-43		
" " No.3		10-21-43		

*Recorded in Vol. 4, pages 412 and 413 in the Recorder's Office for Otter Precinct.

EXPLORATION PROJECT CONTRACT
DeCOURSEY MOUNTAIN MINE
DOCKET NO. DMEA-2742

Exhibit"A"

Description of Work

The purpose of the work is to explore the described property for mercury ore. The explorationwork is to be done by means of diamond drilling, drifting and crosscutting from the Lyman Tunnel for the extensions of the Tunnel, Retort and Top Veins to and below the Lyman Tunnel elevation.

The work below indicated is to be done in two stages, but Stage II is to be undertaken only after completion of Stage I and the location and extent of the work is to be dependent upon the results of Stage I and to be undertaken only upon the expressed approval of the Government. The location and extent of the work consists of the following:

STAGE I

1. Purchase and transport equipment to jobsite.
2. Repair the Cookhouse and compressor building.
3. Construct or purchace and erect a 14'X18' frame building-combination bunk and changehouse.
4. Install equipment-compressor, pump, water and air pipe.
5. Clean out and repair the Lyman Tunnel to the extent required to complete the work described below.
6. Prepare diamond drill stations and drill a maximum of 2500 feet of horizontal diamond drill hole at location shown on the attached Map Exhibit "B".

Stage II

1. Drive a maximum length of 300 feet of crosscut and drift size 5X7 feet in cross section in the clear of timber and prepare drill sections from existing workings to provide advantageous diamond drill station from which to explore for the extensions of the mineralization found in Stage I.
2. Drill a maximum of 2500 feet of diamond drill hole.

The work in Stage II is to be done by a contractor. The contractor will furnish all supplies, diamond drill bits fuel and lubricants for the equipment; and do all minor repairs and supply all labor to do the work, including camp cook and food for workmen. The Operator will furnish all equipment, including rails with connections, pipe and equipment spare parts, and do major repairs to the equipment.

Diamond drill hole diametors, depth, menthod of sampling, recovery of drill core and sludge, sample analysis and samples to be supplied to the Government, are all subject to the approval of the Government.

A Supervising Engineer, approved by the Govenment, will direct the entire exploration program and will prepare all reports required under the contract.

This work is to be done on a two 8-hour shift per day basis working seven(7) days per week and time and one half rate is to be paid all workmen who ~~laborers for~~ working in excess of 40 hours ~~worked each week.~~ per week. hourly rate

Estimated Cost of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

Stage II

300 feet of drift or crosscut of 5x7 feet in crosssection @ $25/foot* $7500.00

2500 feet of diamond drill hole including drill site preporation @ $7.00/foot* $17,500.00

$25,000.00

The Government will contribute to the cost of crosscutting, drifting and diamond drilling on the basis of this agreed estimated unit cost in lieu of actual cost, except for the costs of supplies, equipment parts and services allowed in the ~~control.~~ contract.

(2) Labor, Supervision, Consultants:

Stage I

1/	2 Diamond drillers @ $3.00/hr.	$4,125.00
2/	Compressor Men-helpers @ $2.50/hr.	3,450.00
	1-cookroustabout @ $600/Mo 5 mos.	3,000.00
3/	1 Engineer-Superintendent (1/2 salary) Salary Rate $1,000/month- 5 months @ $500*	2500. 00
		$13,075.00

1/ Each Diamond driller will work as a working foreman supervising ~~for~~ the work in progress during his working period.
2/ The compressor ~~men~~ helpers will operate compressor and do all other work required to aid the completion of the work as scheduled.
3/ The engineer-superintendent will divide his time between this project and the Red Devil Mine Project, Docket No. DMEA 2741
The above workmen will do all the ~~primary~~ preliminary work required to inaugurate the diamond drill program.

Stage II

~~(1)~~ Engineer-Superintendent (1/2 salary)
Salary rate $1,000/month-6 months @ $500.00 * ~~$3,500.00~~ 3,000.00

Direct the workpand

(3) Operating Materials and Supplies:

STAGE I

Fuel oil, lubricants, grease for compressor, diamond drill, tractor and camp	$1,250.00
Explosives	200.00
Diamond drill bits, diamond drill compressor and tractor ~~units.~~ parts.	1,000.00
Small tools, mine lamps and ~~co~~ CAR bide	600.00
Engineering and office supplies	50.00
Groceries-in excess of charges made for workmens' food	850.00
1500 feet 1" B I pipe	400.00
~~Wire~~ Misc. supplies	100.00
	$4,450.00

Operator will furnish the following supplies and equipment that are now on the property, without charge against the project, except for cost of maintaining this ~~aggreement.~~ equipment:

	VALUE
Approx. 1,000 feet air pipe	500.00
" 2,000 " mine track	2,000.00
1 mine car	100.00
1-J,B4.IR Jackhammer	150.00
Jackleg for above Jackhammer	100.00
1-35# Jackhammer	100.00
? Shell and column for Jackhammer	150.00
1-85 cfm gasoline powered compressor,	~~600.00~~
Air and water hose for drills, drill steel and water tank.	600.00

STAGE II

Miscellaneous supplies, equipment parts, for compressor, diamond drill, air drills, rail and air and water pipe and fittings.	$1,300.00
300 feet 12 lbs. mine rail with connections and Spikes	500.00
	$1,800.00

(4) Operating Equipment

rental rate to apply on total purchase price of $8,000.00.

Stage I

To be rented

1 International TD-14 tractor ~~model~~ model w/dozer and power take off winch @ $800/mo. Operator to furnish all supplies, spare parts and repairs, 5 months	$4,000.00
Radio Transmitter and receiver, 5 months	75.00
Transit-rental purchase total price $330 @ $30/Mo. rental rate, 5 months	150.00
	$4,225.00

Stage II

1 International TD-14 Model Tractor w/dozer and power take off winch @ $800/Mo. rented rate to apply on total purchase price of $8000.00. Operator to furnish all supplies, spareparts ~~and~~ 5 mos. @ $800/mo.	$4,000.00
Radio transmitter receiver 6 mos. rental	100.00
Transit-rental purchase 6 mos. @ $30/mo.	180.00
	$4,280.00

To be purchased

Stage I

1 Joy diamond drill with 250 feet of drill rods(used)	2,000.00
1 Diesel 210 cfm capacity compressor (used)	5,500.00
1 High lift pump-powered with gasoline engine	425.00
Camp equipment, stove, heaters and cooking utensils	450.00
	$8,375.00

Stage II

To be purchased

None.

(5) Rehabilitation and repairs

Stage I

Repairs to cookhouse and to compressor building labor and supplies $ 500.00

Stage II

None.

(6) New buildings, improvements, installations:

Stage I

14x18 foot building for combination living quarters ~~an~~ and change house $3,000.00

Stage II

None.

(7) Miscellaneous

Stage I

Pay roll taxes	$1,870.00	
Air travel of Employers and Engineer-Superintendent	2,000.00	
Freight-air -water and overland	1,285.00	
Accounting services @ $150/mo	750.00	
Misc. expensed	625.00	
Total Stage I		$6,530.00

Stage II

Payroll taxes	400.00	
Air travel of Engineer-superintendent	1,200.00	
Misc.Freight, air, water and overland	100.00	
Accounting Services @ $150/mo ~~Misc. Accounting Services @ $150/mo.~~		
Misc. expenses		
Total STAGEI II		$3,300.00

(8) Contingencies:

	Stage I	
Unforeseen expenses,	$1,845.00	
	Stage II	
Unforeseen expenses	$1,620.00	
		$3,485.00

Total estimated Cost Stage I	$42,000.00
" " " Stage II	39,000.00
" " " of Project	81,000.00
Government participation @ 75%	60,750.00

Docket No. DMEA 2742

8 lode claims - Snowbird Nos. 1-5 incl. and Last Chance Nos. 1-3 incl.

Possession is held under contract of purchase from Robert F. Lyman

Required:

An Owner's Consent to Lien (The Landlord's Subordination Agreement form is obsolete; moreover, it is improperly executed - referring to "placer" purchase.

Docket No. DMEA 2741

9 lode claims - Red Devil Nos. 1-4 incl.
Kusko Nos. 1 and 2
Eureka (Eurica) Nos. 1-3 incls.

The Red Devil claims are held under a 30 year lease. There is no evidence in the file of any interest in the Kusko and Eureka (Eurica) claims being held by the applicant.

Required:

1. An Owner's Consent to Lien for the Red Devil claims - the Landlord's Subordination Agreement is obsolete; moreover, it is improperly executed, referring to the "Company" prior to incorporation.
2. Evidence of interest in the Kusko claims and Owner's Consent to Lien
3. " " " " Eurica claims and " " " "

According to the revised project, the work is to be done on Red Devil No. 1. Are these claims necessary to the project nevertheless? If not, no evidence or O.C. to L. are required concerning these claims.

4/10/53 gla

J. L. McCARREY, JR.
Attorney at Law
423 Fourth Avenue
Above Anchorage Grill

Phone
46341

Box 1333
Anchorage, Alaska

April 6, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 9 1953

Mr. Fred L. Knouse
DMEA
4640 Interior Department Building
Washington, D. C.

Dear Mr. Knouse:

Re: Docket No. DMEA 2742 -
DeCoursey Mountain Mine

At the request of Mr. Edward Dodd, President of the DeCoursey Mountain Mining Company, we enclose herewith three copies of Lease dated the 1st day of April, 1953, between Robert F. Lyman, Lessor and DeCoursey Mountain Mining Company, Inc, Lessee, of the following named Cinnabar placer claims:

Discovery Claim - 4 440
The Helen Claim
One Below Discovery - 4 440
The William Claim
The Retort Claim
The Bedrock Claim
The Outcrop Claim
The Dome Claim.

You will note that the lease is for an eleven year period and we are advised by Mr. Lyman that these claims lie immediately to the west and north of Last Chance No. 3 and Last Chance No. 1, and are located on Montana Creek.

You will please further note that each copy of lease discloses the recording of said lease in the Mt. McKinley Recording District in Vol. 2, at page 257-259 of Agreements.

We wish to further advise you that on stationery of the Mt. McKinley United States Commissioner's Office, we received information that Discovery Claim was located on the 4th day of March, 1949, and filed for record on the 25th day of March, 1949, in Volume 4 of Locations at page 440; and One Below Discovery was located on the same day and further was filed for record on the same day and is likewise recorded in Volume 4 of Locations at page 440; said information further discloses that proof of annual report

on Discovery claim for the year 1950-1951 was filed for record on the 14th day of September, 1951, in Volume 4 of Deeds and Proof of Labor, at page 93, and that Proof of Annual Labor for 1951-1952 was filed for record on the 30th day of June, 1952, in Volume 4 of Deeds and Proof of Labor, at page 120. The source of information further discloses that Proof of Annual Labor for One Below Discovery for the same years, were filed on the exact dates as the ones for Discovery Claim. We are advised by Mr. Lyman that these are the two claims that lie immediately to the west and north of Last Chance No. 3 and No. 1, and are contiguous thereto.

In order to comply with your request, we had a special charter flight bring Mr. Lyman to Anchorage with this information, for the corporation wishes to cooperate in every respect and time is of the essence due to the early breakup anticipated this year, based upon the fact that we have had one of the mildest winters of record.

President Dodd, advises our office that he is going ahead with the purchase of the machinery, conformant to your instructions and the contract obtained while he was in Washington, D. C.

The corporation would like to call your attention to two paragraphs in this lease, first, number 9, which provides that tailings may be stacked on the two joining claims, Discovery and One Below Discovery, from any tunnels which may be driven on the Last Chance or on claims under purchase by the corporation; paragraph No. 7 provides that no liens may be placed against this and since the corporation is not borrowing money upon either one of these claims, it is felt a waiver of lien clause was not necessary, however, if you desire to have a waiver of lien clause on the leasehold interest, Mr. Dodd feels confident he can obtain the same from Mr. Lyman.

Based upon the foregoing information and the enclosures herewith submitted to you, it is our understanding we have complied with every prerequisite necessary to complete the final instruments for your proceeding to process the loan for Decoursey Mountain Mining Company, Inc.

Very truly yours,

J. L. McCarrey, Jr.
Attorney for DeCoursey Mountain
Mining Company, Inc.

JLM:fs
3 copies of
Lease Enclosed

LEASE OF PLACER MINING CLAIMS

THIS LEASE, made the 1st day of April, 1953, between ROBERT F. LYMAN, Lessor, and DISCOVERY MOUNTAIN MINING COMPANY, INC., a corporation, Lessee,

WITNESSETH

That the said Lessor, for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the said Lessee to be paid, kept and performed, has let, and by these presents does lease and let unto the said Lessee, all of the following described placer mining claims, situated in the Otter Mine and Recording District, Fourth Judicial Division, Territory of Alaska, to-wit:

> "Discovery Claim", "The Helen Claim", "One Below Discovery", "The William Claim", "The Robert Claim", The Bedrock Claim", "The Gubcrop Claim", and "The Dome Claim", together with the appurtenances thereto.

TO HAVE AND TO HOLD UNTO THE SAID Lessee, for the term of Eleven (11) years from the date hereof, expiring on the 31st day of March 1964, unless sooner forfeited as determined.

J. L. McCARREY Jr.
ATTORNEY AT LAW
BOX 1333
ANCHORAGE, ALASKA

And in consideration of the said lease, the said Lessee does covenant and agree with said Lessor as follows, to-wit:

1. To enter upon said premises and work the same in a manner necessary and proper to good and economical mining so long as the price of mercury shall justify operations, with due regard to the safety, development, and preservation of the said premises as a workable placer mine.

2. To work and mine said premises as aforesaid, steadily and continuously, beginning with the mining season of 1953, and during the mining seasons thereafter for the term of this lease, and to perform the necessary assessment work annually so as to hold and protect the rights of the Lessor in and to the said claims.

3. To allow said Lessor and his agents to enter upon and inke all parts of said premises for the purpose of inspection.

4. To not assign this lease, or any interest thereof and to not sublet the said premises or any part thereof without the written assent of the Lessor, and to not allow any person or persons except the said Lessee and his workmen to take or hold possession of said premises, or any part thereof, under any pretense whatever.

5. To occupy and hold all ores or parallel lodes, dips, spurs, spreaders, crevices, or mineral deposits of any kind which may be discovered in working under this lease, as the property of said Lessor, with privilege to the Lessee of working the same as an appurtenance of the dominant premises during the term of this lease.

6. To keep books of account, showing the amount of ores extracted from the said mine, the amount of ore shipped, sold or treated, and the amount of money received from the sale of said ores, or the values extracted therefrom; that from and out of the values obtained from the ores so extracted, and which may be found in or upon said premises, and reduced, treated, sold or shipped, the Lessee will pay to the Lessor twelve and one-half per cent (12 ½%) of the gross proceeds from the first four claims named above, and six per cent (6%) of the gross proceeds from the last four claims named above, settlement and payment to be made quarterly, and will deliver to said Lessor, at the end of the term, twelve and one-half per cent (12 ½) % of the gross proceeds of all ores extracted from the first four claims named above, and six per cent (6%) of the gross proceeds of all ores extracted from the last four claims named above, which have not yet been shipped or sold. A duplicate of all mill, smelter, or retort returns shall be furnished to the Lessor, and that said books of account shall be open, at all reasonable times, to the Lessor or his representatives.

J. L. McCARREY Jr.
ATTORNEY AT LAW
BOX 1333
ANCHORAGE, ALASKA

7. To save and hold the Lessor harmless from all liens or claims of workmen or material, and to keep the premises properly posted so as to protect the said mining claims from any liens of workmen and/or material.

8. To deliver up to the Lessor the said premises, with appurtenances, in good order and condition and ready for immediate continued working, on the day of the date of the termination of this lease, or at any time previous upon demand for forfeiture for violation of any of the covenants and agreements herein contained.

9. The Lessor hereby grants unto the Lessee the right to stack tailings upon Discovery Claim and One Below Discovery from the tunnel and/or tunnels which the Lessee may extract from the quartz property now being purchased by the Lessee and/or which the Lessee may quartz mine from the placer claims which are hereby leased, said right to stack and pile tailings aforesaid,

shall continue for an eleven (11) year tenure.

And finally, upon the violation by the Lessee, or any other person under it, of any of the covenants herein contained, the term of this lease shall, at the option of the Lessor, expire and become forfeited to said Lessor, and said Lessor or his representatives may thereupon, after proper demand, enter upon and take possession of the premises.

Each and every clause and covenant of this lease, where the context requires it, shall extend to and include the heirs and assigns of the Lessor and the successors, administrators and assigns of the Lessee.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Signed in the presence of:

Florence Sessoms

Harriet M. Skog

Robert F. Lyman (SEAL)
ROBERT F. LYMAN, Lessor

REDGUARD MOUNTAIN MINING COMPANY, INC. (SEAL)
Lessee

By John W. McCormick
Vice-President

Attest:

Raymond G. Wolfe
Secretary

J. L. McCARREY Jr.
ATTORNEY AT LAW
BOX 1333
ANCHORAGE, ALASKA

UNITED STATES OF AMERICA)
) ss
TERRITORY OF ALASKA)

THIS IS TO CERTIFY, that on this 2nd day of April, 1953, before me, the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned and sworn as such, came ROBERT F. LYMAN, Lessor, known to me and known to be the particular person who executed the foregoing instrument, and he acknowledged that he signed and sealed the same freely and voluntarily for the uses and purposes therein stated; and

Also appeared JOHN W. McCORMICK and RAYMOND G. WOLFE, known to me and known to be the Vice-President and Secretary, respectively of REDGUARD MOUNTAIN MINING COMPANY, INC., Lessee, and known to be the particular persons who executed the foregoing instrument on behalf of REDGUARD MOUNTAIN MINING COMPANY, INC., by authority of the Board of Directors, and they acknowledged that they signed and sealed the same freely and voluntarily as the act of the said corporation, and that the seal affixed thereto is the seal of said corporation.

WITNESS my hand and Notarial Seal the day and year last above written.

J. L. McCarrey Jr.
Notary Public in and for Alaska
My commission expires: 4-25-54

TERRITORY OF ALASKA } SS.
FOURTH JUDICIAL DISTRICT

Filed for record at the request of
Robert F. Lyman
on the 5th day of April A.D. 53
at 20 min. past 2 P M
and Recorded in Vol. 2 of
Agreements page 257-259.

M. L. McCauley Recording District
Chas. F. McCauley
U.S. Commissioner

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

4/5/53 gla

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

BA075 PRA058

APR 1 AM 23

PR SEA103 28 PD 1 EXTRA=ANCHORAGE ALASKA 31 1122P=

F L KNOUSE=

INTERIOR DEPT ROOM 4640 WASHDC=

TEN YEAR LEASE ON GROUND AND ADEQUATE SURROUNDING AREA AND USE OF LYMAN TUNNEL WILL BE AIR MAIL TO YOUR OFFICE WITH IN FIVE OR SIX DAYS=

DECOURSEY MOUNTAIN MINING CO RAY WOLFE SEC=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

3/30/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
P. O. Box 560
Juneau, Alaska
March 23, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 26 1953

MEMORANDUM

To: Operating Committee, Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Owners Consent to lien

RE: Docket No. DMEA-2742
(mercury)
Decoursey Mt. Mining Co.

Enclosed herewith is the original and six copies of an executed, "Owner's Consent to Lien" covering claims Snowbird 1, 2, 3, 4, 5, and Last Chance 1, 2, 3. They were dated March 16, 1953.

These were received from the applicants today. The applicants request that, if possible, two copies be returned for their files because they did not have enough forms with which to prepare copies for themselves.

S. H. Lorain
Executive Officer
Alaska Field Team, Region I

Enclosures

cc: C. L. Sainsbury
Geological Survey

FILE COPY
SURNAME:

J L Knouse
Ellis
Parker
Rowe

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

DMA

5295 4440

1443925.970 Mining Fund, Interior, DMA
March 30, 1953

S. H. Lorain, Executive Officer, DMA Field Room, Region I,
P. O. Box 900, Juneau, Alaska
DMA-2742, McCoursey Mountain Mining Co.

REF LETT MARCH 20 DOCKET DMA-2742 HOWEVER WE HAVE COPY OF
LEASE OR EASE OR OTHER AGREEMENT GIVING ADEQUATE RIGHT
FOR PERIOD OF TEN YEARS TO USE LAND TOTAL AND SUFFICIENT
AREA ASKED FOR PURPOSES OF CONTROL.

C. O. Mittendorf (fw)
C. O. MITTENDORF, ADMINISTRATOR

HCRubin/FLKnouse/gla
3-30-53
cc to: Adm. Reading File
Docket
Messrs. H.H.Meyer, R-3623
A.R.Kinkel, R-4234 GSA
Ellis
Knouse

S.H.
3/31/53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

P. O. Box 560
Juneau, Alaska
March 23, 1953

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S. H. Lorain
Executive Officer
Alaska Field Team, Region I

Enclosures

cc: C. L. Sainsbury
Geological Survey

700
FILE COPY
SURNAME:

F.L. Knouse
Ellis

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

MAR 16 1953

Mr. L. L. Lorain
Executive Officer
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

Re: Docket No. MMA-2741 (Mercury)
Red Devil Mine
Georgetown Mining & Recording District
4th Judicial Division, Alaska
Docket No. MMA-2742 (Mercury)
De Coursey Mountain Mine
Otter Mining and Recording District
4th Judicial Division, Alaska

Dear Mr. Lorain:

We enclose one copy each of three letters dated March 5, 1953, received from Mr. Edward B. Dodd, President of the De Coursey Mt. Mining Company. Inasmuch as there was no indication that copies of these communications were forwarded to you by Mr. Dodd, they are forwarded for your information.

Sincerely yours,

George C. Selfridge

S.H.
3/16/53

Chairman, Operating Committee

Members:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

GCSelt/FLKnouse/gla
3-11-53
cc to: Adm. Reading File
Operating Committee
Dockets
Mr. Ellis
Mr. Knouse
DMEA Field Team, Region I

CHARLES F. HERBERT
1013 Smith Tower
Seattle 4, Wash.

March 10, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 12 1953

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

Attention: Mr. Frederick L. Knause

Dear Mr. Knause: Subject: De Coursey Mt. Mining Company
Box 523, Anchorage, Alaska

DMEA-2742

I am enclosing a breakdown of the cost estimates on the De Coursey Mountain Mine and Red Devil Mine exploration projects.

DMEA-2741

Very truly yours,

Charles F. Herbert

CFH:m

Encls.

c/c Mr. S. H. Lorain
Box 2990
Juneau, Alaska

DMEA-2742

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE I

1. Assemble men and equipment at job site.
   Time - 2 weeks.

Labor	$1,055.00	
Payroll costs	150.00	
Tractor rental	400.00	
Air travel	800.00	$ 2,405.00

2. Camp construction and rehabilitation.
   Time 2 weeks.

Repair existing facilities (labor and supplies)	$ 500.00	
Construct 14 x 18 frame building or purchase suitable structure at Flat and haul to property, Bunk house + change house	3,000.00	
Camp and cookhouse equipment	450.00	
Tractor Rental	250.00	4,200.00

3. Clean ice out of tunnel. Time 2 weeks.

Labor	$ 500.00	
Payroll costs	70.00	
Supplies	50.00	620.00

4. Set up compressor, lay pipe, etc.

Labor	$ 150.00	
Payroll costs	20.00	
Supplies	50.00	
Pump and pipe 400 1500' 1" diam PI	825.00	
Freight and hauling, pump and pipe	375.00	
Tractor rental	150.00	1,570.00

5. Slash drift for diamond drill set ups

Labor	$ 300.00	
Payroll costs	40.00	
Explosives and other supplies	200.00	500.00

6. Diamond drilling (4 months)

Labor	$8,570.00	
Payroll costs	1,260.00	
Supplies (bits, fuel oil, etc.)	2,250.00	
Tractor rental	3,200.00	15,280.00

7. Engineering, office and other overhead expense

Labor	$ 2,500.00	
Payroll costs	330.00	
Supplies	50.00	
Transit rental	150.00	
Freight on transit	35.00	
Air travel of eingineer	400.00	
Freight on samples for assay (assay will be by Territorial Dept. of Mines at no cost)	50.00	
Radio rental	75.00	
Accounting services (5 mos. @ $150.00)	750.00	4965.00
Misc. overhead (telegrams, licenses, fees, etc.)	625.00	4,785.00

8. Purchase of equipment

Joy diamond drill with 250 ft. rods, etc.- used	$ 2,000.00	
210 c.f. diesel compressor - used	5,500.00	
Freight and hauling on above	825.00	8,325.00

9. Undistributed costs

Loss on cookhouse	$ 850.00	
Misc. supplies, small tools	600.00	
Air travel employees if project is closed	800.00	
Contingencies (including close down cost if necessary)	1,865.00	4,115.00

TOTAL ESTIMATED COST OF PHASE I $42,000.00

DMEA-2742

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE II

It is expected that if the exploration carried on under Phase I warrants continued exploration this work will be carried on under labor contract with local labor, including the same crew that had been carried on force account.

It is estimated that about 300 feet of drift or crosscut will be required to furnish sites for diamond drilling; 5 x 7 drifts will be used and it is assumed that no timbering will be required. The rock drills and breaks very easily so it is thought that costs will be moderate. There should be sufficient pipe remaining from the operations conducted under Phase I but it may be necessary to provide some additional rail and ties. Relaying of existing rail is a possibility.

The option to purchase the tractor will be exercised and reamining rental payments will conclude the purchase of the machine.

1.	Drive 300 feet drift and crosscut, slash diamond drill stations.		
	Labor and supplies (contract @ $25 per ft.)	$7,500.00	
	Rail and other supplies not covered by contract Exploration ?	& 500.00	$ 8,000.00
2.	Diamond drill 2,500 ft. @ $7 per ft.	$17,500.00	
	Allowance for replacement parts, etc.	500.00	18,000.00
3.	Engineering, office and other overhead expense		
	Labor 6 - mos Engineers @ $500/mo	$ 3,000.00	
	Payroll costs	400.00 ?	
	Air travel of engineer	1,200.00	
	Assaying (air freight on samples)	100.00	
	Accounting service (6 mos. @ $150.00) ?	900.00	
	Radio Rental ?	100.00	
	Misc. overhead (telegrams, licenses, fees, etc.) ?	700.00	6,400.00
4.	Equipment purchase		
	Complete purchase of transit (rents to apply) 6 mos. @	$ 180.00	
	Complete purchase of tractor (rents to apply)	4,000.00	4,180.00
5.	Undistributed		
	Tractor repair parts	$ 800.00	
	Contingencies	1,620.00	2,420.00
TOTAL ESTIMATED COST OF PHASE II			$39,000.00

3/24/53 gla

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

P. O. Box 560
Juneau, Alaska
March 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 23 1953

George C. Selfridge, Chairman
Operating Committee
Defense Minerals Exploration Administration
Washington 25, D. C.

re: Docket No. DMEA 2742 (mercury)
DeCoursey Mountain Mining Company

Dear Mr. Selfridge:

Your letter of March 6 was received a few days ago. The cost data from Mr. Charles Herbert already had been received. Neither the Owner's Consent to Lien nor the Landlord's Subordination Agreement has been received.

We have reviewed the cost data and are in agreement with the estimates given by Mr. Herbert. We do suggest, however, that as much latitude as possible be given in the matter of "allowable maximums". Under the circumstances we do not think that it is possible to estimate precisely the cost of each operation; some will be higher and some will be lower than estimated. We hope that, with the exception of major purchases, rentals, travel and accounting, the items can be allowed on an "estimate" basis.

We have prepared 7 copies each of two maps which are enclosed herewith. These maps are:

1. Map showing workings and exploration with relation to nearest claim line.

2. Claim map of holdings showing relation of No. 1

These maps were compiled from the best information available to us. We believe them to be approximately correct but cannot guarantee that they are absolutely correct because we have no survey notes from which to work. It should be noted that most of the Lyman tunnel is off the claims controlled by the company. Therefore we suggest that approval be made contingent upon their obtaining an easement for this tunnel. We do not expect any difficulty about this because

the tunnel is on a placer claim owned by Mr. Lyman who is a very reasonable person. Lyman would have no reason to withhold the easement.

We assume that the company is having difficulty in getting the "consent" and "subordination" documents because of slow communications. Possibly these documents also could be placed on a contingent basis. We are not sure but that the season already is too late for good freighting from Flat but probably they could make it.

Mr. Sainsbury is out of town but has asked me to express his agreement with the foregoing.

Yours sincerely,

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

Enclosure

cc: C.L.Sainsbury
J.A.Herdlick

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE I

1.	Assemble men and equipment at job site. Time - 2 weeks.		
	Labor	$1,055.00	
	Payroll costs	150.00	
	Tractor rental	400.00	
	Air travel	800.00	$ 2,405.00
2.	Camp construction and rehabilitation. Time 2 weeks.		
	Repair existing facilities (labor and supplies)	$ 500.00	
	Construct 14 x 18 frame building or purchase suitable structure at Flat and haul to property	3,000.00	
	Camp and cookhouse equipment	450.00	
	Tractor Rental	250.00	4,200.00
3.	Clean ice out of tunnel. Time 2 weeks.		
	Labor	$ 500.00	
	Payroll costs	70.00	
	Supplies	50.00	620.00
4.	Set up compressor, lay pipe, etc.		
	Labor	$ 150.00	
	Payroll costs	20.00	
	Supplies	50.00	
	Pump and pipe	825.00	
	Freight and hauling, pump and pipe	375.00	
	Tractor rental	150.00	1,570.00
5.	Slash drift for diamond drill set ups		
	Labor	$ 300.00	
	Payroll costs	40.00	
	Explosives and other supplies	200.00	500.00
6.	Diamond drilling (4 months)		
	Labor	$8,570.00	
	Payroll costs	1,260.00	
	Supplies (bits, fuel oil, etc.)	2,250.00	
	Tractor rental	3,200.00	15,280.00

DMEA-2742

7. Engineering, office and other overhead expense

Labor	$ 2,500.00	
Payroll costs	330.00	
Supplies	50.00	
Transit rental	150.00	
Freight on transit	35.00	
Air travel of eingineer	400.00	
Freight on samples for assay (assay will be by Territorial Dept. of Mines at no cost)	50.00	
Radio rental	75.00	
Accounting services (5 mos. @ $150.00)	750.00	
Misc. overhead (telegrams, licenses, fees, etc.)	625.00	4,785.00

8. Purchase of equipment

Joy diamond drill with 250 ft. rods, etc.- used) 210 c.f. diesel compressor - used	$ 2,000.00	
	5,500.00	
Freight and hauling on above	825.00	8,325.00

9. Undistributed costs

Loss on cookhouse	$ 850.00	
Misc. supplies, small tools	600.00	
Air travel employees if project is closed	800.00	
Contingencies (including close down cost if necessary)	1,865.00	4,115.00

TOTAL ESTIMATED COST OF PHASE I $42,000.00

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE II

It is expected that if the exploration carried on under Phase I warrants continued exploration this work will be carried on under labor contract with local labor, including the same crew that had been carried on force account.

It is estimated that about 300 feet of drift or crosscut will be required to furnish sites for diamond drilling; 5 x 7 drifts will be used and it is assumed that no timbering will be required. The rock drills and breaks very easily so it is thought that costs will be moderate. There should be sufficient pipe remaining from the operations conducted under Phase I but it may be necessary to provide some additional rail and ties. Relaying of existing rail is a possibility.

The option to purchase the tractor will be exercised and reamining rental payments will conclude the purchase of the machine.

1.	Drive 300 feet drift and crosscut, slash diamond drill stations.		
	Labor and supplies (contract @ $25 per ft.)	$7,500.00	
	Rail and other supplies not covered by contract	& 500.00	$ 8,000.00
2.	Diamond drill 2,500 ft. @ $7 per ft.	$17,500.00	
	Allowance for replacement parts, etc.	500.00	18,000.00
3.	Engineering, office and other overhead expense		
	Labor	$ 3,000.00	
	Payroll costs	400.00	
	Air travel of engineer	1,200.00	
	Assaying (air freight on samples)	1,100.00	
	Accounting service (6 mos. @ $150.00)	900.00	
	Radio Rental	100.00	
	Misc. overhead (telegrams, licenses, fees, etc.)	700.00	6,400.00
4.	Equipment purchase		
	Complete purchase of transit (rents to apply)	$ 180.00	
	Complete purchase of tractor (rents to apply)	4,000.00	4,180.00
5.	Undistributed		
	Tractor repair parts	$ 800.00	
	Contingencies	1,620.00	2,420.00
TOTAL ESTIMATED COST OF PHASE II			$39,000.00

DMEA-274

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE I

1.	Assemble men and equipment at job site. Time - 2 weeks.		
	Labor	$1,055.00	
	Payroll costs	150.00	
	Tractor rental	400.00	
	Air travel	800.00	$ 2,405.00
2.	Camp construction and rehabilitation. Time 2 weeks.		
	Repair existing facilities (labor and supplies)	$ 500.00	
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	Camp and cookhouse equipment	450.00	
	Tractor Rental	250.00	4,200.00
3.	Clean ice out of tunnel. Time 2 weeks.		
	Labor	$ 500.00	
	Payroll costs	70.00	
	Supplies	50.00	620.00
4.	Set up compressor, lay pipe, etc.		
	Labor	$ 150.00	
	Payroll costs	20.00	
	Supplies	50.00	
	Pump and pipe	825.00	
	Freight and hauling, pump and pipe	375.00	
	Tractor rental	150.00	1,570.00
5.	Slash drift for diamond drill set ups		
	Labor	$ 300.00	
	Payroll costs	40.00	
	Explosives and other supplies	200.00	500.00
6.	Diamond drilling (4 months)		
	Labor	$8,570.00	
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Misc. overhead (telegrams, licenses, fees, etc.)	625.00	4,785.00

8. Purchase of equipment

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	5,500.00	
Freight and hauling on above	825.00	8,325.00

9. Undistributed costs

Loss on cookhouse	$ 850.00	
Misc. supplies, small tools	600.00	
Air travel employees if project is closed	800.00	
Contingencies (including close down cost if necessary)	1,865.00	4,115.00

TOTAL ESTIMATED COST OF PHASE I $42,000.00

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE II

It is expected that if the exploration carried on under Phase I warrants continued exploration this work will be carried on under labor contract with local labor, including the same crew that had been carried on force account.

It is estimated that about 300 feet of drift or crosscut will be required to furnish sites for diamond drilling; 5 x 7 drifts will be used and it is assumed that no timbering will be required. The rock drills and breaks very easily so it is thought that costs will be moderate. There should be sufficient pipe remaining from the operations conducted under Phase I but it may be necessary to provide some additional rail and ties. Relaying of existing rail is a possibility.

The option to purchase the tractor will be exercised and reamining rental payments will conclude the purchase of the machine.

1.	Drive 300 feet drift and crosscut, slash diamond drill stations.		
	Labor and supplies (contract @ $25 per ft.)	$7,500.00	
	Rail and other supplies not covered by contract	500.00	$ 8,000.00
2.	Diamond drill 2,500 ft. @ $7 per ft.	$17,500.00	
	Allowance for replacement parts, etc.	500.00	18,000.00
3.	Engineering, office and other overhead expense		
	Labor	$ 3,000.00	
	Payroll costs	400.00	
	Air travel of engineer	1,200.00	
	Assaying (air freight on samples)	100.00	
	Accounting service (6 mos. @ $150.00)	900.00	
	Radio Rental	100.00	
	Misc. overhead (telegrams, licenses, fees, etc.)	700.00	6,400.00
4.	Equipment purchase		
	Complete purchase of transit (rents to apply)	$ 180.00	
	Complete purchase of tractor (rents to apply)	4,000.00	4,180.00
5.	Undistributed		
	Tractor repair parts	$ 800.00	
	Contingencies	1,620.00	2,420.00
TOTAL ESTIMATED COST OF PHASE II			$39,000.00

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE I

1.	Assemble men and equipment at job site. Time - 2 weeks.		
	Labor	$1,055.00	
	Payroll costs	150.00	
	Tractor rental	400.00	
	Air travel	800.00	$ 2,405.00
2.	Camp construction and rehabilitation. Time 2 weeks.		
	Repair existing facilities (labor and supplies)	$ 500.00	
	Construct 14 x 18 frame building or purchase suitable structure at Flat and haul to property	3,000.00	
	Camp and cookhouse equipment	450.00	
	Tractor Rental	250.00	4,200.00
3.	Clean ice out of tunnel. Time 2 weeks.		
	Labor	$ 500.00	
	Payroll costs	70.00	
	Supplies	50.00	620.00
4.	Set up compressor, lay pipe, etc.		
	Labor	$ 150.00	
	Payroll costs	20.00	
	Supplies	50.00	
	Pump and pipe	825.00	
	Freight and hauling, pump and pipe	375.00	
	Tractor rental	150.00	1,570.00
5.	Slash drift for diamond drill set ups		
	Labor	$ 300.00	
	Payroll costs	40.00	
	Explosives and other supplies	200.00	500.00
6.	Diamond drilling (4 months)		
	Labor	$8,570.00	
	Payroll costs	1,260.00	
	Supplies (bits, fuel oil, etc.)	2,250.00	
	Tractor rental	3,200.00	15,280.00

7. Engineering, office and other overhead expense

Labor	$ 2,500.00	
Payroll costs	330.00	
Supplies	50.00	
Transit rental	150.00	
Freight on transit	35.00	
Air travel of eingineer	400.00	
Freight on samples for assay (assay will be by Territorial Dept. of Mines at no cost)	50.00	
Radio rental	75.00	
Accounting services (5 mos. @ $150.00)	750.00	
Misc. overhead (telegrams, licenses, fees, etc.)	625.00	4,785.00

8. Purchase of equipment

Jay diamond drill with 250 ft. rods, etc.- used	$ 2,000.00	
210 c.f. diesel compressor - used	5,500.00	
Freight and hauling on above	825.00	8,325.00

9. Undistributed costs

Loss on cookhouse	$ 850.00	
Misc. supplies, small tools	600.00	
Air travel employees if project is closed	800.00	
Contingencies (including close down cost if necessary)	1,865.00	4,115.00

TOTAL ESTIMATED COST OF PHASE I $42,000.00

DE COURSEY MOUNTAIN MINE

ESTIMATED COST OF EXPLORATION - PHASE II

It is expected that if the exploration carried on under Phase I warrants continued exploration this work will be carried on under labor contract with local labor, including the same crew that had been carried on force account.

It is estimated that about 300 feet of drift or crosscut will be required to furnish sites for diamond drilling; 5 x 7 drifts will be used and it is assumed that no timbering will be required. The rock drills and breaks very easily so it is thought that costs will be moderate. There should be sufficient pipe remaining from the operations conducted under Phase I but it may be necessary to provide some additional rail and ties. Relaying of existing rail is a possibility.

The option to purchase the tractor will be exercised and remaining rental payments will conclude the purchase of the machine.

1.	Drive 300 feet drift and crosscut, slash diamond drill stations.		
	Labor and supplies (contract @ $25 per ft.)	$7,500.00	
	Rail and other supplies not covered by contract	4 500.00	$ 8,000.00
2.	Diamond drill 2,500 ft. @ $7 per ft.	$17,500.00	
	Allowance for replacement parts, etc.	500.00	18,000.00
3.	Engineering, office and other overhead expense		
	Labor	$ 3,000.00	
	Payroll costs	400.00	
	Air travel of engineer	1,200.00	
	Assaying (air freight on samples)	100.00	
	Accounting service (6 mos. @ $150.00)	900.00	
	Radio Rental	100.00	
	Misc. overhead (telegrams, licenses, fees, etc.)	700.00	6,400.00
4.	Equipment purchase		
	Complete purchase of transit (rents to apply)	$ 180.00	
	Complete purchase of tractor (rents to apply)	4,000.00	4,180.00
5.	Undistributed		
	Tractor repair parts	$ 800.00	
	Contingencies	1,620.00	2,420.00
TOTAL ESTIMATED COST OF PHASE II			$39,000.00

7. Are subordination agreements necessary?_____

a) MF-201?_____

b) MF-202?_____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower_____

b) Equipment and supplies_____
(question 14 plus general knowledge of availability)*

c) Accessibility (question 12)*_____

d) Water (question 13)*_____

e) Power (question 13)*_____

Is a field check needed on any of these points?_____

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)*_____

_____

Is a field check needed on this point?_____

10. Exhibit A. (question 21 and 22)*

a) Is the project adequately described?_____

If not, are there sufficient data given so that you can describe the project?_____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work?_____

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5?_____

If not, what part of it is?_____

_____

_____

_____

FILE COPY
SURNAME:

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

AIR M IL

MAR 6 1953

Mr. [illegible] Lorain
Executive Officer, Region I
DMEA Field Team
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMA-2741 (Mercury)
Red Devil Mine
Georgetown Mining & Recording District
4th Judicial Division, Alaska
Docket No. DMA-2742 (Mercury)
The Courtney Mountain Mine
[illegible]tier Mining and Recording District
4th Judicial Division, Alaska

Dear Mr. Lorain:

This is with reference to the attached copy of a telegram dated March 2, 1953, from Mr. Edward [illegible]. Dodd, President of the captioned company, and a telephone conversation between Mr. Frederick L. Mouse of this office and Mr. Dodd on March 4, 1953, and a telephone conversation between Mr. Mouse and Mr. Herbert, Consulting Engineer for the applicant on March 5, 1953.

In order to obtain the additional required information to process this application Mr. Mouse instructed Mr. Dodd to furnish your office with the following:

Docket No. DMA-2742 - The Courtney Mountain Mine

1. Executed Owner's Consent to Lease covering the following mining claims Snow Bird Nos. 1-5 inclusive and Star Chance Nos. 1-3 inclusive. The Landlord's Subordination Agreement submitted by the applicant is obsolete, and improperly executed.

2. An estimate detailing the cost of each unit of work to be done, i.e. cost and description of each camp unit to be rehabilitated and constructed, cleaning out of the Layman Tunnel, number and cost of cutting diamond drill stations, unit cost for diamond drilling, drifting or crosscutting and size and extent of same. If any of the work is to be done by a contractor also indicate what will be furnished by the contractor and the applicant. Please also advise the purchase price of the [illegible]-24 Tractor that the applicant proposes to acquire on a rental purchase basis of $[illegible]/mo.

Docket No. [illegible]-2741 - Red Devil Mine

1. Recording dates of mining claims controlled by applicant on which the work is to be done or that will be benefited by the proposed exploration program with book page number. Give a list covering these claims filed after they were recorded.

2. Executed lessor's consent to lease covering the mining claims referred to in Item 1.

3. Furnish an estimate showing the cost of each unit of work to be done, i.e., cost of developing and rehabilitation, cost, shaft sinking, shaft stations, drifting, cross-cutting, drill stations and drilling. If any of the work is to be done by a contractor also indicate what is to be done by the contractor and the applicant.

In order to expedite this application without delay because of the problem of sending evidence to the project office the same which the applicant has been instructed to forward one copy of the evidence to your office, and the other direct to this office. Therefore, we will appreciate this material kindly review and return to this office and forward your recommendations to this office.

The applicant contacted here today in obtaining the executive lessor's consent to lease form, as the owner is from Billings in the future. We, however, informed him these executive forms could be presented to your office then and if the contract is executed.

Mr. Herbert advises the applicant does not control the following mining claims: Nos. 1 and 2 and the blocks of claims 1-3 inclusive. If these claims were included in the application this condition may change your recommendation. If after a review of these supplemental data your office recommends one or more of these exploration projects, please furnish some further data on each of the new project which show the underground workings and proposed work and also in these cases the mining claim lease.

Sincerely yours,

George C. Selfridge

Director, Operations Conference

Approved

C. H. Johnson

Director, Bureau of Mines

D. M. Lemmon

Chief, Mineral Survey

Filmouse/jem 3/6/53

cc to: Adm. Reading File Docket

Messrs. Meloyer-3623

Reinkel-4234

Ellis Mouse Opr. Com.

Field Team, Reg. I

J.H. 3/6/53

DE COURSEY MT. MINING COMPANY

P. O. Box 523

Anchorage, Alaska

March 5, 1953

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

Attention: Mr. Frederick L. Knouse

Dear Sir:

DMEA-2742

This letter will explain more fully the rental of the International TD-14 tractor and bulldozer for use on the De Coursey Mountain project.

While a somewhat smaller tractor would suffice for the project there is no smaller tractor available in the area. The rental rate of $800.00 per month appears to be in line with rental rates in other places in Alaska. We have consulted contractors in the Anchorage area and find that the rental rate is generally computed in Alaska as being 25% over the Seattle rate, as shown by the bulletin prepared by the Associated Equipment Dealers of America. This bulletin, prepared in 1950, shows the rental rate for a TD-14 as being $553.00 per month for the tractor, plus $135.00 a month for the bulldozer. If these figures are increased by 25%, the going Alaskan rate for the machine would appear to be $860.00 per month.

The cost of a new International TD-14 tractor equipped with straight blade hydraulic bulldozer is approximately $14,337.00, delivered at Anchorage, Alaska. Additional freight to the property would make the delivered cost there in excess of $15,000.00.

The tractor is owned by Mr. Robert F. Lyman, who is selling the De Coursey Mountain Mine to the company, and who is also a director of the company. By recent agreement between Mr. Lyman and the company, the company has an option to purchase this tractor for the sum of $8,000.00, and the paid-in rentals will apply on this purchase price.

We understand that if this company does complete the purchase of the tractor, the Government will have an interest in it equal to its participation in the paid-in rentals.

Very truly yours,

DE COURSEY MT. MINING COMPANY

Edward N. Dodd

Edward N. Dodd, President

END:k

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

AIR MAIL

MAR 5 1953

Mr. Edward N. Dodd, President
De Coursey Mountain Mining Company
Box 523
Anchorage, Alaska

Re: Docket No. DMA-2741 (Mercury)
Red Devil Mine
Georgetown Mining & Recording District
4th Judicial Division, Alaska

Docket No. DMA-2742 (Mercury)
De Coursey Mountain Mine
Otter Mining and Recording District
4th Judicial Division, Alaska

Dear Mr. Dodd:

As requested by telephone today during your conversation with Mr. Frederick L. Knouse of this Division concerning the above-docketed applications, we are transmitting herewith 21 copies of "Owner's Consent to Lien" forms.

When these have been properly executed, kindly return all of the copies to Mr. L. H. Lorain, Executive Officer, DMA Field Team, P. O. Box 560, Juneau, Alaska.

Sincerely yours,

Signed

Ernest Am. Ellis, Chief
Rare and Misc. Metals Division

Enclosures
FLKnouse/jem
3/4/53
cc to: Adm. Reading File
Docket
Messrs. HMMeyer-3623
ARKinkel-4234 GSA
Ellis Knouse FT Region I (2)

3/4/53 gla

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

March 4, 1953

Memorandum

To: E. W. Ellis, DMEA

From: Helena M. Meyer, Base Metals Branch

Subject: DMEA - 2742, DeCoursey Mountain Mining Co. Inc., Alaska, exploration loan in two phases $42,000 and $39,000, a total of $81,000

I have read the field team report concerning the subject application and Mr. Olund's memorandum, both recommending approval of the reduced loan requested, and concur in their findings. Mr. Olund's memorandum is attached.

Helena M. Meyer

Helena M. Meyer

Attachment

Copy to: Minerals Division
Base Metals Branch
H. M. Meyer
Files
Mr. Olund
Mr. A. R. Kinkle, Jr. Room 4234 GSA

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

MAR 3 PM 5 07

(06)

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WP067 NL PD=SEATTLE WASH MAR 2=

GEORGE C SELFRIDGE, CHAIRMAN OPERATIONS COMMITTEE= DMEA-2742

D M E A DLR ROOM 4631 NEW INTERIOR BLDG=

I WIRED MC LORAIN AT JUNEAU REGARDS STATIS DMEA CONTRACT WITH DECOURSEY MT MINING CO AND HE SUGGESTS I CONTACT YOU FOR LATEST DEVELOPMENTS AS TIME IS GETTING SHORT FOR WINTER FREIGHTING CAN YOU PLEASE ADVISE SO WE MAY KNOW HOW TO PROCEED=

EDWARD N DODD DECOURSEY MT MINING CO NEW WASHINGTON HOTEL SEATTLE WASH=

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 4 1953

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

MAR 4 7 07 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

March 2, 1953

Memorandum

To: Ernest Wm. Ellis, DMEA

From: H. E. Olund, Base Metals Branch

Subject: DMEA-2742, DeCoursey Mountain Mining Company, Inc., Alaska. Application is in two phases. Phase No. I is for $42,000 and Phase II is for $39,000. Total project is $81,000 and the Government share of cost is $60,750.

This is a revised application recommended as acceptable by the field team. The geological conditions are favorable and the work outlined should expose enough ore to allow repayment of the Government's share of the exploration cost. On this basis I will concur with the field team in the approval of this application.

However, there are several points I wish to bring out that detract from the proposed project:

1. Costs of exploration and production are very high and require an unusual grade of ore to produce at a profit.

2. The ore contains some antimony which must be eliminated before retorting the mercury. There should be a concentrating plant as well as a retort furnace at the property.

3. The DeCoursey Mountain Mining Company, Inc., is thoroughly inexperienced in the mining business and they will have to employ a good experienced engineer to handle the work at the mine.

4. The district is isolated and it is difficult to get supplies in. Labor has to be obtained from Fairbanks or Anchorage and there is bound to be a heavy turnover of men.

5. There is now a plentiful supply of mercury and there is considerable doubt that enough mercury will be discovered at this property to warrant the cost of exploration and production.

This project will require the close attention of the field team and if the work of the first phase of the project does not disclose an adequate supply of ore the project should be terminated.

H. E. Olund

H. E. Olund

2/24/53 gla

IN REPLY REFER TO:

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

February 24, 1953

Memorandum

Re: DMEA-2742
DeCoursey Mt. Mining Co.
DeCoursey Mt. mine, Alaska
$81,000
Quicksilver

To: Mr. E. Wm. Ellis

From: Edwin T. McKnight

Subject: Recommended approval of project

Although I believe that this property would have little strategic value in case of war, the success of the proposed exploration would probably allow repayment of the Government's share of the exploration cost (according to the field team), hence the project is not so likely to be a disguised subsidy.

The present proposal is in 2 phases. Phase I (cost $42,000) calls for about 2,500 feet of diamond drilling into the walls of the Lyman tunnel to locate downward extensions of the Top, Retort and Tunnel veins. The drill holes will average 150-200 feet in length, and will be into both walls of the tunnel at intervals of about 50 feet along the tunnel. Allowance should be made for modification of the original pattern of drilling to take advantage of any information revealed by the earlier phases of drilling. As pointed out in my memo of October 27, 1952, such drilling is geologically sound and has a good chance of discovering ore.

Phase II, which is contingent on the success of Phase I, calls for about 300 feet of drifting or crosscutting to establish new drilling stations, and drilling in depth to follow downward any mineralization discovered in Phase I. I believe that this exploration would be justified.

Note that the field team has recommended that approval of the project should be contingent on a competent supervisor being employed by the company to manage the project.

The applicant's map appears to be a makeshift sketch. If this project is approved with 3/4 Government participation, it will be to the Government's advantage to see that the applicant has access to the Government's geologic map of the Lyman tunnel.

Edwin T. McKnight

Edwin T. McKnight
Geologist

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 1 0 1953

FIELD TEAM REPORT

DOCKET NO.: DMEA-2742 (Mercury)
DeCoursey Mountain Mine, Otter Mining District
Fourth Judicial Division, Territory of Alaska

APPLICANT: DeCoursey Mountain Mining Co., Inc.
P. O. Box 523, Anchorage, Alaska

Summary:

The captioned docket and recommendations for modifications by H. E. Olund and E. T. McKnight were received on December 17, 1952. The applicant was contacted and has agreed to the principal modifications; his revised application is transmitted herewith. This revision has been analyzed by the Field Team and is believed to be an accurate picture of the conditions and possibilities and a practical plan of exploration.

The DeCoursey Mountain mine has been described in various publications by the Geological Survey and the Bureau of Mines which have been reviewed and adequately summarized by McKnight and Olund. The mine was examined in late 1951 by the Executive Officer, Field Team, Region I and in late 1952 by Phil D. Holdsworth, Territorial Commissioner of Mines and Charles F. Herbert, Mining Engineer. The conclusions of all the above examining engineers were made available to the Field Team for consideration.

Conclusions:

All of the publications and reports of examination agree on the favorable geologic probability for the discovery of additional ore in or adjacent to existing mine workings. On the basis of current information, the Field Team estimates that known deposits at the DeCoursey mine may contain inferred ore reserves as follows:

ON-SITE EXAM.

Inferred Ore Reserves*

Ore Shoot	Level From	Level To	Inferred Ore Tons	Grade Lbs./Ton	Total Hg Lbs.
Upper veins	810	sur.	30,000	19.2	576,000
Retort veins	810	sur.	10,000	19.0	190,000
Tunnel veins	810	sur.	1,000	50.0	50,000
Tunnel veins (offset)	700	810	3,000	60.0	180,000
DeCoursey veins	550	sur.	15,000	28.0	420,000
"A" veins	550	sur.	2,200	25.0	55,000
Total and Averages			61,200	24.0	1,471,000

Ore in the Upper, Retort, and Tunnel veins would be indicated by the proposed exploration.

* Reserve figures by U.S.B.M., other reserve figures in attached geologist's report.

Although the grade of inferred ore at the DeCoursey mine is somewhat lower than that at the Red Devil mine (see associated application) the wall rock and general mining conditions are more favorable for lower mining costs. Furthermore, DeCoursey ore is much lower in antimony content and therefore easier and less cotly to furnace than Red Devil ore. Because of these indicated economies, it is believed that at present mercury prices ($210,00 per flask) DeCoursey ore producing 20 pounds of mercury per ton will yield a substantial profit as compared with a 26-pound cut off at the Red Devil mine. The ore can be up-graded by sorting if necessary.

Recommendations:

The Field Team recommends that the exploration program be approved in two phases as outlined and at costs estimated by the applicant with special emphasis on close technical supervision of drilling procedure, sample taking, preparation and analysis, surveying and geological mapping. These engineering functions should be kept up to date to provide close control of drilling and to provide accurate data for a decision on the second phase of the project.

C. L. Sainsbury

C. L. Sainsbury,
Acting Executive Officer,
Field Team, Region I

Geologic Appraisal

Docket No: DMEA-2742 (Mercury)
DeCoursey Mountain Mine, Otter Mining District, Alaska

Applicant: DeCoursey Mountain Mining Co, Inc.

No field examination of the property was made owing to the abundant up-to-date data previously collected by the Geological Survey and the Bureau of Mines. This report is included, however, in order to point out the Survey Field Team member's analysis of the justification of the modified program as resubmitted by the applicant, and to show the proposed exploration in relation to geology.

The Exploration

The exploration was modified by the applicant to provide for longer diamond-drilling rather than percussion drilling upon the recommendation of this member of the Field Team because of the following considerations:

The veins at DeCoursey mine are arranged en echelon in strike, and apparently do not persist to appreciable depth individually. However, the vertical range of the mineralization shown topographically greatly exceeds the vertical distance to be covered by the initial phase of the exploration (see Fig. 1). The Lyman Tunnel was driven to find the downward continuation of the Tunnel and Retort veins, and although it apparently disproved the downward continuation of the Retort vein, it did not explore laterally.

If the veins are en echelon in strike, and of short vertical range, they also may be en echelon in dip. Therefore, any sound exploration from the 820 foot adit must allow for sufficient lateral exploration to test the possibility of finding "blind" orebodies along the general trend and dip of the vein zone. This lateral exploration could be accomplished only by crosscutting and short-hole drilling, or by diamond-drilling of longer holes. Either method would cost about the same, but the diamond-drilling program will provide equipment that would be used in Phase II of the exploration if Phase I is successful.

Reserves to be Developed by the Exploration

In 1944, the Geological Survey estimated the following reserves in the Tunnel and Retort veins:

Reserves, Cutoff Grade of 25lbs Hg/ton

	Tunnel Vein	Retort Veins
Flasks Hg from reasonably assured and indicated ore	1110	170
Flasks Hg from inferred ore	3020	710
Total	4130	880
Total lbs. Hg	312,000	69,000

However, subsequent mining removed the greater portion of the indicated reserves, and the unfavorable results of the Lyman exploration drift caused the Geological Survey to reduce considerably its calculated reserves (unpublished report, 1952).

Mr. Joseph Hoare, the Survey geologist most familiar with the DeCoursey mine, recently orally stated to me that "blind" orebodies, such as are to be explored for, possibly do exist near the down-dip projection of the Tunnel and Retort veins. The exploration, then, in my opinion is not only to discover the extent of known orebodies, but to find additional blind orebodies. No concrete statement of inferred reserves is presented by the Geological Survey.

Although the DeCoursey mine without doubt is one of the two best mercury mines in Alaska, the writer wishes to point out that if the exploration project discovers mercury in an amount equalling the total past production of the mine, or even the amount of reserves inferred in the Retort and Tunnel veins by the Bureau of Mines, the maximum return to the Government by a royalty of 5% would amount to about $36,000.00, or about what the Government would invest in the exploration. The DeCoursey Mountain Mining Company, Inc., seems determined to actively mine at DeCoursey mine, so even though the Washington commodity men have questioned the desirability of granting loans for mercury in view of the mercury supply situation, the loan very probably will be repayed.

Owing to the relative inaccessibility of the project, the loan should be granted conditionally that proof be presented to the Field Team that a competent supervisor is employed by the company to manage the project.

Please note that the full legal name of the applicant is DeCoursey Mountain Mining Company, Incorporated.

Because of past experience with operations in Alaska not in close contact with field representatives of DMEA, it is suggested that the schedule of costs for each item eg., Labor Rates and Total Amounts; Operating Materials and Supplies; Operating Equipment and Rentals; Rehabilitation; and Contingencies, be specifically marked "Allowable Maximum" in the contract, if negotiated.

C. L. Sainsbury

C. L. Sainsbury
Field Team Member, Region I.

cc: Lorain

DE COURSEY MT. MINING COMPANY
BOX 523, ANCHORAGE, ALASKA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 10 1953
RECEIVED
FEB 4 1953
BUREAU OF MINES
Juneau, Alaska

January 30, 1953

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

dmea 2742 REVISED

Subject: De Coursey Mountain Mine
Quicksilver Project

Gentlemen:

On October 4, 1952 this company presented a revised application for aid on an exploration project for quicksilver at its DeCoursey Mountain Mine. Maps and other data, including a Landlord Subordination Agreement have been submitted.

We wish to again revise our application in order to provide for a project of less cost than had previously been prepared. This revision follows the form MF-103 and is as follows:

1. (a) The name of the company remains as the De Coursey Mt. Mining Company, whose new address is Box 523, Anchorage, Alaska.

   (b) Certificate of Incorporation was filed on October 22, 1951, at Juneau, Alaska.

   (c) The present officers of the corporation are:

President	Edward N. Dodd, Box 523, Anchorage, Alaska
Vice President	John W. McCormick, " " "
Secretary-Treasurer	Ray Wolfe " " "
Director	Orville May " " "
Director	Robert F. Lyman, Crooked Creek, Alaska

   All officers are directors.

3. (a) Property consists of eight lode mining claims situated near Return Creek, a tributary of Montana Creek, which is tributary to the Iditarod River, in the Otter Mining and Recording District, records at McGrath, Alaska, as follows:

   Snowbird No. 1 to No. 5, inclusive.
   Last Chance No. 1 to No. 3, inclusive.

   (b) Property is known as the De Coursey Mine

   (c) Property is being purchased from Robert F. Lyman on contract dated October 16, 1951, with deed in escrow.

1 copy given to G. Holbrook after clearing with Adams 6/16/55 WSM

(d) Copy of escrow agreement previously submitted.

4. (a) Physical description

The property has been worked in a small way by means of surface trenches, shallow tunnels and recovery of high grade float ore. Small retorts were used. Applicant had no interest in these operations.

(b) Past production is estimated at 1,500 flasks of quicksilver. There are no proven reserves. Inferred reserves are 55,000 tons with an average grade of 27 lbs. per ton.

(c) Veins and stringers of cinnabar, with some disseminated ore occur in a series of steeply dipping beds of shale, graywacke, and sandstone with associated flows and sills of basalt and diabase. Ore is found in brecciated and silicified sections of the sediments and intrusives. Mining widths vary from three feet to twenty five feet. See attached report and map.

(d) The mine is isolated from regular transportation routes. Shipments from Seattle are taken to Bethel, Alaska by ocean steamer and to Crooked Creek on the Kuskokwim River by river boat, during the period from early in June to early in October. They are then hauled during the winter from Crooked Creek to the mine by tractor, a distance of about twenty five miles.

(e) There is a little local labor, mostly natives who live along the Kuskokwim River. Men must be imported from Fairbanks or Anchorage, where there is presently a good supply of men.

Materials , supplies and equipment needed without delay must be obtained in Anchorage and flown to the mine. Supplies from Seattle must be ordered from seven to ten months before use.

There are ample supplies of mine timber and firewood.

There is an adequate water supply in Return Creek, near the mine.

Diesel power must be employed. Fuel Oil costs about 45¢ a gallon at the mine.

Explored

5. (b) It is proposed to develop the property by diamond drilling. In the first phase of the project, drilling will be done from existing workings to determine if the orebodies continue to the 810 foot elevation. If this drilling should give positive results, up to 300 feet of crosscut or drift would be driven to establish favorable drilling locations for prospecting by diamond drilling below the 810 foot elevation.

It is contemplated that the project would be confined to prospecting for extensions of the Tunnel Vein, Retort Vein and Top Vein, all of which are most likely part of a single lode system.

More particularily, the work would consist of the following:

Phase I

A diesel powered compressor would be flown from Anchorage to Flat in a Douglas C-46 aircraft. Complete diamond drilling equipment would be flown from Fairbanks to Flat. These and other supplies would be hauled by tractor from Flat to the mine.

The Lyman tunnel (elevation 810 feet) would be cleared of ice, using the same crew that will be employed on the diamond drilling, and the compressor set up at the portal. A small gasoline powered water pump will be installed in the small creek below the Lyman tunnel and a one inch pipe line will be laid to supply drilling water at the face.

Horizontal holes will be drilled, beginning at the north end of the tunnel and following the pattern shown on the attached sketch, until such time as drilling should indicate a change in the drilling pattern. Since the tunnel is narrow, drilling stations will have to be cut as required.

It is expected that 2,500 feet of diamond drilling will be done. If it is found that the principal ore zones are on one side of the tunnel it may be advisable to confine most of the drilling to that side and to add inclined drill holes to the program or to decrease the spacing between holes.

Phase II

If sufficient indication of ore is given by the work done in Phase I, crosscuts or drifts would be driven to provide advantageous locations for drilling to greater depths. It is not now possible to estimate the amount of crosscutting or drifting that might be required. In fact it is possible that existing workings may be satisfactory.

It is believed that the second phase of the project can best be handled by contract.

Since only a small crew is required in either phase of the work, the project can be directed by the same engineer-foreman who will be in charge of the Red Devil Mine, which can be reached by light plane in forty minutes flying time.

(c) The work will start within sixty days after approval of the contract and the first phase will be completed within five months after inception of work. The second phase will take about six months.

(d) The company has had no previous mining experience. Mr. Dodd, the President, and Mr. Wolfe, the Secretary-Treasurer are successful businessmen in Anchorage, Alaska. Mr. Joseph E. Nasenius will be in charge of the work. Mr. Nasenius has been an Alaskan mine operator for many years.

6. The estimated costs are shown for each phase:

Phase I

(a) No contracts

(b) Labor (all work 56 hours per week)

1 diamond driller, $3.00/hr., 5 months at $825	$4,125	
1 compressor man-helper, $2.50/hr., 5 months at $690	3,450	
1 cook-roustabout, 5 months at $600	3,000	
1 engineer-foreman ($\frac{1}{2}$ of salary) 5 months at $500	2,500	
		$13,075

(c) Operating materials and supplies

Groceries, less board deduction	$850	
Fuel and lubricants	500	
Diamond bits, reamers, etc.	1,000	
Explosives	300	
Small tools, lamps, etc.	750	
Engineering and office supplies	50	
Cookhouse utensils, etc.	150	
Camp equipment, stoves, heaters	300	
Miscellaneous supplies, air freight	600	
		$4,500

(d) Operating equipment and rentals

TD-14 tractor, rental-purchase, 5 months @ $800		$4,000	
Surveyor's transit, rental, 5 months @ $30	$150		
Air freight, Seattle and return	35		
		185	
1" high lift pump with gas engine	425		
Air freight	25		
		450	
1,500 feet 1" water pipe and fittings	400		
Air freight and haulage	350		
		750	
Joy HS-15 diamond drill, with 250 feet of rods, pump, fittings	2,000		
Air freight and haulage	150		
		2,150	
Joy WK-80, 210 cfm compressor, used	5,500		
Air freight to Flat from Anchorage	500		
Loading and unloading cost	100		
Haulage, Flat to mine	75		
		6,175	
			$13,710

(e) Rehabilitation of existing camp		$500
(f) Construction of small frame building Size?		3,000
(g) Payroll taxes, compensation insurance % breakdown	$1,850	
Air travel, employees	2,000	
Assaying, accounting, radio, etc.	1,500	
		5,350
(h) Contingencies		1,865
Total cost of Phase I		$42,000

Phase II

Size 8'x7'?

(a) 300 feet of drift or crosscut, contractor to furnish all labor, supplies and camp cost but to use equipment without charge. 300 feet @ $25 / Rail - Rails — $7,500

Contractor supply Explosives, Fuel oil, camp supplies, Operator furnish all labor, rails, repair to equipment & parts.

Equipment to be drill and compressor

2,500 feet of diamond drilling, contractor to furnish all labor, supplies and camp cost but to use equipment without charge. 2,500 feet @ $7 / but operator will supply — 17,500 — $25,000

Two Stuff Boxes

(b) Engineer-foreman (½ of salary) 3/6 months @ 500 — 3,000

(c) Miscellaneous supplies not covered by contract — 1,000 ?

(d) TD-14 tractor, rental-purchase. 6 months @ $800 — 4,800

Transit, rental. 6 months @ $30 — 180 — 4,980

(e) None

(f) None

(g) Payroll taxes, compensation insurance — 400 ? for who

Air travel, engineer-foreman — 1,200

Assaying, accounting, radio ? — 1,800 — 3,400

(h) Contingencies — 1,620

Total cost of Phase II — $39,000

TOTAL COST OF PROJECT — $81,000

7. Operator is prepared to furnish its cost of the project as money and will furnish the following equipment and supplies without charge against the project:

Approx. 1,000 feet of air pipe (in Lyman tunnel) value	$500
Approx. 2,000 feet of mine track (in Lyman tunnel) value	2,000
1 mine car, value	100

Compressor house	Value	$500
IR jackhammer, JB 4	"	150
Jackleg for above	"	100
35# jackhammer	"	100
cradle and column for jackhammer	"	150
85 cfm compressor, gasoline engine	"	600
Water tanks, drill steel, air and water hose	"	800
Camp accomodations for four men		
		$5,000

DE COURSEY MT. MINING COMPANY

By Edward N. Dodd
Edward N. Dodd, President

FILE COPY
SURNAME:

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

NOV 26 1952

Mr. John L. Williams, President
De Coursey Mountain Mining Company
Box 523
Anchorage, Alaska

Re: Docket No. DMEA-2742 (Mercury)
De Coursey Mountain Mine
Otter Mining and Recording District
4th Judicial Division, Alaska

Dear Mr. Williams:

Your application, dated October 4, 1952 (amending your previous application in Docket DMEA-2276), has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. This application has been referred to the Executive Officer of Region I at the following address:

Mr. S. H. Lorain
Executive Officer, Region I
DMEA Field Team
P. O. Box 2990
Juneau, Alaska.

The Regional Office will contact you in regard to your project if necessary.

Sincerely yours,

C. O. Mittendorf (for) 11-26-52

Administrator

EWEllis/gla
11-25-52
cc to: Adm. Reading File
Docket
Mr. Ellis
DMEA Field Team, Region I

700 FILE COPY
SURNAME:

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

Ellis
Mattead

NOV 26 1952

Mr. S. H. Lorain
Executive Officer
DMEA Field Team, Region I
P. O. Box 2990
Juneau, Alaska

Re: Docket No. DMEA-2742 (Mercury)
De Coursey Mountain Mining Co., Inc.
De Coursey Mountain Mine
Otter Mining and Recording District
4th Judicial Division, Alaska

Dear Mr. Lorain:

The above captioned application is referred to you for a Field Team recommendation. This application was revised by letter dated October 4, 1952, and was formerly Docket No. DMEA-2276 (declined March 6, 1952). A copy of the revised proposal was sent you under date of October 21, 1952.

Enclosed are copies of memorandums pertinent to subject application, by Mr. E. T. McKnight and Mr. H. E. Olund, commodity members of the Geological Survey and the Bureau of Mines, respectively.

While this amended application is a modification of the original application, it is nevertheless a somewhat ambitious program for the property. If a contract is considered, it should be modified and should be drawn up under two phases as suggested. Phase I should consist of the side-wall drilling in the Lyman tunnel. If such work gave negative results then all additional work should be terminated. Funds requested for the landing field, though recognized as possibly a necessary adjunct to full operation, can hardly be classed as exploration.

Recommendation on this application should take into consideration a current proposal by the De Coursey Mountain Mining Company on the Red Devil Mines, Docket No. DMEA-2741 and referred to you.

EWEllis/gla 11/25/52
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. E. T. McKnight, 4204 GSA
H. M. Meyer, Rm, 3623
Enclosures
Ellis

Sincerely yours,

(signed) FRANK E. JOHNSON
Chairman, Operating Committee

APPROVED:
DMEA FT, Region I

J. H. Hedges
Member, Bureau of Mines

A. R. Finkel, Jr.
Member, Geological Survey

S.H. 11-26-52

11/21/52 gla

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

November 21, 1952

Memorandum

To: E. W. Ellis

From: Helena M. Meyer

Subject: DMEA Docket 2742, DeCoursey Mountain Mining Co., Alaska, exploration loan $243,000

I have read the subject application and am in accord with the attached memorandum covering findings of H. E. Olund. Mr. Olund suggests that the application be denied but indicates that approval might be justified if Phase II is made dependent upon the findings under Phase I. The work proposed under Phase II should be considered in a general way only until after the results of Phase I have been analyzed and found to yield promising results.

Insofar as the work under Phase I is concerned Mr. McKnight's suggested modifications should be followed.

There is little doubt that one of the primary conditions that made the original proposal unacceptable, i.e. the questionable character of one of the projects chief proponents, should be explored thoroughly to ascertain that no circumstance of that nature is associated with this application.

The current proposal contains some arithmetical errors and requires thorough checking. Under section 6 (estimated costs) second Phase, for example, the addition of items under (b) comes to $116,300 and not $112,300.

Helena M. Meyer

Helena M. Meyer

Copy to: Minerals Division
Base Metals Branch
H. M. Meyer
F I L E S
Mr. McKnight

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

November 14, 1952

Memorandum

To: E. W. Ellis

From: H. E. Olund

Subject: Docket No. DMEA-2742, DeCoursey Mt. Mining Company, Alaska; modified application for Quicksilver project, $243,000

The original application was for a loan of $325,000 and included exploration of a placer location on Return, Discovery and Montana Creeks. This application was denied for the following reasons:

1. The unsavory record of the moving spirit behind this promotion, Mr. C. A. Sherman.
2. The amount of placer ground covered by the application and the method to be used in sampling.
3. The indefinite nature of the surface and underground methods of exploration not acceptable to the department.
4. The fact that the isolated location of the property makes it a very expensive operation and there is little likelihood that it could be used in an emergency as a source for mercury.

The applicant is said to have eliminated Mr. Sherman from his organization, has dropped the placer operation and has refiled his application on the lode claims only.

He has devided the application into two phases. Phase I consists of clearing the ice from the Lyman Tunnel, extending the tunnel 100 feet northerly, and drilling 7/8" "long drill holes" into the walls of the tunnel at 50 foot intervals. The total footage drilled will be about 800 feet, and the cost of this phase of the program will be about $17,700. If ore is located by any of these drill holes then phase II of the program is commenced. This phase consists of: Purchasing equipment and supplies and flying them to Flat. Hauling from Flat to mine. Hauling fuel oil from Crooked Creek to mine. Crosscut and drift in Lyman Tunnel. Raise for exploration and ventilation. Start new tunnel at 710 foot elevation. Complete an estimated

#22.125/ft.

total of 2,800 feet of drifts and crosscuts and 900 feet of raises. Build an airfield near mine. Haul machinery and supplies for construction program. Total estimated cost = $225,300. Grand total cost of both phases = $243,000.

The deposits covered by this application are in a wild and inaccessible area near the mouth of the Yukon in Southwestern Alaska. The mine is accessible for freight only by airplane, by tractor sled in the wintertime, or by boat up the Kuskokwim River during the open season. It is very expensive property to operate. As the Stockpile of quicksilver is at present adequate for several years of anticipated needs it is no longer needed for stockpiling. Hence, it appears doubtful that this particular application has any truly strategic value.

The application does not outline any specific exploration program. It merely states "Complete an estimated total of 2,800 feet of drifts and crosscuts and 900 feet of raises in both levels and in a sub-level at the 900 foot elevation. Build an airfield. Haul machinery and supplies for construction. Begin construction program." Undoubtedly a great deal of the program outlined is not eligible as exploration work. The proposed new tunnel at the 700 foot level is not justified until the area above the Lyman Tunnel level has been explored. If no consequential orebodies are found in this horizon the proposed work at the 700 level is not justified.

The property was discovered in 1910, but was not worked extensively until 1943. Several ore lenses were worked out completely and about 1,500 flasks of mercury were recovered. The Lyman Tunnel was then run, but none of the veins were cut and no ore was discovered. As the shear zone is quite wide the walls of this tunnel should be drilled to see if any lenses exist there.

If ore is discovered by drilling the walls of this tunnel then the second phase of the program should consist of x-cutting to the lenses discovered and drifting along the lenses to determine their lengths. If no ore is discovered in the drill holes the project should be terminated at the end of phase I.

The field team should require the applicant to more closely define the locations of the drill holes, their direction and lengths of hole. The phase II should be decided upon when the results of the drill holes have been determined and the ensuing drifting and raising should be calculated at so much per foot. No estimates for additional compressor capacity, mucking machines, electric or air locomotive mine cars, etc., should be included in this application. No airfield should be constructed either as this is a capital expenditure not needed until

production is started on the property.

The property is an isolated one and the nearest source of labor is on the Pacific Coast. There is bound to be a shortage of labor at times. There is no power available in the district so power must be developed by Diesel or Gas Engines. The applicant states that the cost of breaking ore is $30.00 per ton, and $110 per flask of mercury. The cost may be twice as much as this if he has to do too much dead work to reach his orebody.

I recommend that this application be sent to the field team for remodelling the program and get the applicant's agreement to a revised program which will be considerably below the cost of the present program.

H. E. Olund
Base Metals Branch

10/27/52 gla

IN REPLY REFER TO:

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

October 27, 1952

Memorandum

Re: DMEA-2742
DeCoursey Mt. Mining Co.
DeCoursey Mt. Mine, Alaska
Quicksilver
$243,000

To: Mr. E. Wm. Ellis

From: E. T. McKnight

Subject: Recommended modified approval of project.

The company made a previous application (DMEA-2276) for an exploration loan of $325,000 of which $188,463 was to be spent on lode exploration and the rest on placer exploration. That application was denied. The present application is a modification of the lode exploration proposal only. Applicant proposes to carry out the exploration in two phases.

Phase I (cost $17,700) will consist of clearing the ice from the Lyman tunnel (elevation 810 feet), extending the tunnel 100 feet northerly, and drilling 7/8" "long drill holes" into the walls of the drift part of the tunnel. The map accompanying the application indicates that the 16 proposed holes are 50 feet long and spaced at intervals of 50 feet along both sides of the drift, total footage 800 feet. Although not stated in the application, there is a presumption that the holes are to be horizontal, and this is borne out by a similar proposal in the earlier application (which called for a series of horizontal 24-foot holes at 20-foot intervals along both sides of a lower level adit that was proposed in that application).

Phase II (cost $225,300), which is contingent on the success of Phase I, proposes to crosscut, drift and raise on any ore bodies disclosed in Phase I, and further proposes to start a new adit from the surface at elevation 700 with appropriate crosscuts, drifts, and raises to explore the ore zone at this lower level. The application calls for 2800 feet of drifts and crosscuts and 900 feet of raises, but no details can be given, in advance of completion of Phase I, as to where this work will be, other than that about 1250 feet of drifting will be required to complete the proposed new adit. Phase II also includes the same type of ~~diamond~~ drilling along the walls of the new adit as proposed in Phase I.

The geological setting of the DeCoursey Mt. mine has been discussed in my previous memorandum (Feb. 26, 1952, DMEA-2276) and need not be repeated here. In that memorandum I pointed out that the (Lyman) tunnel at the 820 (=810) level had explored the general line of the mineralized belt at depths of 140-200 feet below the outcrop with generally disappointing results, but that the exploration had not been complete in that the ground in the walls of the tunnel had not been investigated. Until something was found on the Lyman tunnel

level, it was recommended that expensive tunnelling on lower levels should not be approved. The drilling proposed under Phase I of the present application should go far to settle the question of whether there is mineralization on the Lyman level. Considering the geologic occurrence of the ore and the past productive history of the deposit, the drilling proposed under Phase I (but not the drift extension, see next paragraph) merits approval. If a firm stand is taken to cut off Phase II unless Phase I is definitely successful, I believe this project, with modifications, should be approved geologically.

The applicant's map shows the Lyman tunnel to lie 50 feet southeast of the position (relative to surface outcrops) shown on a map prepared by the Geological Survey, and the details of the tunnel, including its point of termination, are somewhat different. The Survey's map suggests that downward extensions of the Top and Retort vein zones should lie a short interval southeast of the Lyman tunnel. However, considering the uncertainty in projecting such irregular, discontinuous and indefinite vein zones to depth, I now believe that both walls of the tunnel should be investigated, as proposed by applicant. The geometry of the applicant's map makes it even more imperative that the northwest wall be included in the exploration. The Geological Survey's map shows the end of the Lyman tunnel to lie at least 120 feet north of the position shown on the applicant's map, which makes unnecessary the 100-foot adit extension proposed by the applicant in order to test completely the downward extension of the Top vein outcrop.

I recommend that Phase II be curtailed to allow for some crosscutting, drifting and raising on the Lyman tunnel level to explore any mineral found by the drilling under Phase I, but that the new tunnel at the 700 level either be deleted, or set up as a Phase III, contingent on the success of Phase II. I doubt if long hole drilling alone on the Lyman tunnel level will be conclusive enough to justify starting the 700 level tunnel without further investigation of the ore on the Lyman tunnel level.

Other aspects of the application may outweigh the geologic merit and make a denial of the whole project advisable. An important factor in denial of the earlier application was the character of one of the chief individuals involved in the management of the company. The present application does not mention this gentleman as either an officer or stockholder of the company as presently constituted. Can it be assumed that the "moving spirit" in the company at the time of the earlier application is no longer involved, either directly or indirectly, in the management of the company? The recommendation of the field team

will have to be followed on this matter.

I also pointed out in my earlier memorandum that, owing to the location of this project, it would probably contribute very little to the strategic defense of the country in case of emergency; nor would any product from the property be stockpiled for defense in advance of an emergency. Hence, the spirit and intent of the Defense Production Act of 1950 would be very questionably served through financial aid in exploration of the property.

Edwin T. McKnight

Edwin T. McKnight
Geologist

October 21, 1952

Mr. John L. Williams, President
DeCoursey Mountain Mining Company
Box 523
Anchorage, Alaska

Subject: DMEA-2742
Re: Exploration Assistance
DeCoursey Mine

My dear Mr. Williams:

The receipt of your application dated October 4, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2742 and referred to the Rare and Miscellaneous Division.

Kindly refer to DMEA-2742 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operation Control
and Statistics Division

25451

OCTOBER 21, 1952

RECEIVED 10/20/52, MEMORANDUM OF 10/15/52 to OPERATING COMMITTEE FROM S. H. LORAIN, ENCLOSING ORIGINAL AND 3 COPIES, WITH MAP, OF A REQUEST FOR AMENDMENT OF THE APPLICATION SUBMITTED BY THIS COMPANY IN NOVEMBER, 1951 FOR EXPLORATION OF THE DeCOURSEY MOUNTAIN MERCURY MINE. APPLICATION SUBMITTED IN NOVEMBER, 1951, DOCKETED AS DMEA-2276. THIS APPLICATION WAS DENIED ON 3/6/52.

PER MR. ADAMS - MATERIAL RECEIVED 10/20/52, TO BE DOCKETED UNDER NEW NUMBER, DMEA-2742. THE MATERIAL IN DOCKET DMEA-2276 TRANSFERRED TO DMEA-2742.

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

P. O. Box 2990
Juneau, Alaska
October 15, 1952

OCT 16 1952

MEMORANDUM

To: Chairman, Operating Committee
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

From: S. H. Lorain

Subject: Application for DMEA contract from DeCoursey Mountain Mining Company

Enclosed herewith are documents received at this office today, as follows:

1. Original and 3 copies, with map, of a request for amendment of the application submitted by this company in November 1951 for exploration of the DeCoursey Mountain mercury mine. dmea 2742

2. Original and 3 copies with map, of an application for exploration of the Red Devil mercury mine. dmea 2741

3. Letter of transmittal by J. L. McCarrey, Jr., attorney for the company.

I should explain that we have been assured that Mr. Cornelius Sherman is no longer an officer or shareholder in the company; - it is fairly evident that he has no active voice in the management. This removes our principal objection to the application.

This application was prepared by a competent engineer, Mr. Charles Herbert, whom the company retained on a consulting basis for this purpose. I have read the proposals very hurriedly and I am in general agreement with the objectives but not, necessarily with the details. The Field Team will wait your further instructions.

We have not retained any copies at this office.

Yours sincerely,

S. H. Lorain
Executive Officer
Alaska Field Team, Region I

Enclosures

cc: C.L.Sainsbury
J. A. Herdlick

C
O
P
Y

dmea 2742

J. L. McCARREY, JR.
Attorney at Law
423 Fourth Avenue
Above Anchorage Grill

Phone
46341

Box 1333
Anchorage, Alaska

October 7, 1952

Mr. S. H. Lorain
Regional Director
DMEA Field Team, Region I
P. O. Box 2990
Juneau, Alaska

Dear Mr. Lorain:

Re: De Coursey Mountain Mining Co.

Enclosed herewith please find the original and three copies of loan application with report and landlord's subordination agreement, and a revision of application for the Quicksilver project in quadruplicate for the De Coursey Mountain Mining Co.

If further information is desired, please advise us and we shall be glad to procure it for you.

Very truly yours,

/s/ J. L. McCarrey, Jr.
J. L. McCarrey, Jr.
Attorney for DeCoursey Mountain
Mining Co.

fs
8 encls.

De Coursey Mt. Mining Comp
Box 523, Anchorage, Alask

October 4, 1952

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

Subj.: De Coursey Mountain Mine
Quicksilver project

Gentlemen:

On November 28, 1951 this company applied for aid on an exploration project for quicksilver at its De Coursey Mountain Mine. Maps and other data were submitted, together with a Landlord's Subordination Agreement signed by Robert F. Lyman on October 16, 1951.

We wish to revise our application, making it applicable solely to development of the lode mine, and in this letter set forth the particulars of such revision according to the Form MF-103.

1. (a) The name of the company remains as the De Coursey Mt. Mining Company, but the new address is Box 523, Anchorage, Alaska.

(b) Certificate of Incorporation was filed on October 22, 1951, at Juneau, Alaska.

(c) Officers of the corporation are:

President	John L. Williams, Box 523, Anchorage, Alaska
Vice-President	William L. Warren, Sleitmute, Alaska
Treasurer	Joseph C. Fears, Box 523, Anchorage
Secretary	Scott E. Thomas, Box 523, Anchorage
Director	Edward Tulare, Sleitmute, Alaska

All officers are directors.

3. (a) Property consists of eight lode mining claims situated near Return Creek, a tributary of Montana Creek, which is tributary to the Iditarod River, in the Otter Mining and Recording District, records at McGrath, Alaska, as follows:

Showbird No.1 to No.5, incl.
Last Chance No.1 to No.3, incl.

(b) Property is known as the De Coursey Mine

(c) Property is being purchased from Robert F. Lyman on contract dated October 16, 1951, with deed in escrow.

(d) Copy of escrow agreement previously submitted.

4. (a) Physical description

The property has been worked in a small way by means of surface trenches, shallow tunnels and recovery of high grade float ore. Small retorts were used. Applicant had no interest in these operations

(b) Past production is estimated at 1,500 flasks of quicksilver. There are no proven reserves. Inferred reserves are 55,000 tons with an average grade of 27 lbs. per ton.

(c) Veins and stringers of cinnabar, with some disseminated ore occur in a series of steeply dipping beds of shale, graywacke, and sandstone with associated flows and sills of basalt and diabase. Ore is found in brecciated and silicified sections of the sediments and intrusives. Mining widths vary from three feet to twenty five feet. See attached report and map.

(d) The mine is isolated from regular transportation routes. Shipments from Seattle are taken to Bethel, Alaska by ocean steamer and to Crooked Creek on the Kuskokwim River by river boat, during the period from early in June to early in October. They are then hauled during the winter from Crooked Creek to the mine by tractor, a distance of about twenty five miles.

There is a small airfield, suitable for light planes and a suitable location for a larger field within two miles of the mine.

(e) There is a little local labor, mostly natives who live along the Kuskokwim River. Men must be imported from Fairbanks or Anchorage, where there is presently a good supply of men.

Materials, supplies and equipment needed without delay must be obtained in Anchorage and flown to the mine. Supplies from Seattle must be ordered from seven to ten months before use.

There are ample supplies of mine timber and firewood.

There is an adequate water supply in Return Creek, near the mine.

Diesel power must be employed. Fuel oil costs about 45¢ a gallon at the mine.

5. (b) It is proposed to follow the development program outlined in the attached report. The work will consist of two phases.

In the first phase, the Lyman tunnel at the 810 foot elevation will be cleared of ice, the walls of the drift will be p rospected by long drill holes and the drift will be extended an additional 100 feet. This work will serve to explore the Top Vein, Retort Veins and Tunnel Vein, which appear to be part of one extensive ore zone.

In the second phase, exploration in the Lyman tunnel will continue with crosscuts, drifts and raises on any orebodies disclosed in the first phase of the work. In addition, a new tunnel will be driven from the 700 foot elevation with crosscuts, drifts and raises on the De Coursey Vein, Tunnel Vein, Retort Veins and Top Vein. This tunnel, with frequent long holes in the walls, will serve to prospect the favorable area between the De Coursey and Tunnel veins.

All work will be done within zones considered favorable for ore deposition aso the discovery of blind orebodies is an attractive possibility.

(c) The work will start within sixty days after approval of a contract and will be completed within sixteen months after the date of such approval.

(d) The company has had no previous mining experience. By a resolution of the Board of Directors, Mr. Edward Dodd, the largest stockholder, has been appointed manager. Mr. Dodd is a successful Alaskan business man, who now owns and operates several apartment buildings in Anchorage, Alaska. Associated with him in the management of the company are Robert Wolfe and Ray Wolfe, the next two largest stockholders, both of whom are successful business men of Anchorage, Alaska.

Mr. Dodd and his associates have every reason to believe that they can obtain qualified local management for the project. Two thoroughly qualified men are now under consideration.

6. The estimated costs are shown for each projected phse:

First Phase

(a) None

(b)	2 miners	3 months @ $690	4,140	
	1 roustabout-cook	" 600	1,800	
	½ engineer's salary	650	975	
				6,915
(c)	Groceries, less board deduction		500	
	Gasoline		120	
	Fuel oil, lube, grease		180	
	Explosives		200	
	Misc. supplies		500	
	Air freight on above		2,000	
				3,500
(d)	Sectional drill steel, bits		260	
	Freight and air freight		50	
				310
	Tractor rental (to apply on purchase			3,000

(e) None			
(f) None			
(g) Payroll taxes, comp. ins.		750	
Wood, etc.		750	
Air travel, employees		400	
Accounting, radio, assays, etc.		1,000	
			2,900
(h) Contingencies,			1,075
Total cost of Phase 1.			$17,700

Second Phase

(a) Haulage			2,500	
Airfield and access road (½ cost)			10,000	
Wood and mine timber			2,500	
				15,000
(b) 8 miners	12 mos.	690	66,000	
1 mechanic	"	690	8,200	
1 tractor operator	"	690	8,200	
2 laborers	"	560	13,500	
1 cook	"	600	7,200	
1 flunkey	"	400	4,800	
1 engineer-foreman	"	700	8,400	
				112,300
(c) Groceries, less board deduction			5,000	
Gas, fuel oil, lube, etc.			6,000	
Explosives			4,000	
Rail, drill steel, bits			4,000	
Pipe, fittings, vent pipe, blower			3,000	
Misc. supplies, small tools			3,000	
Freight and air freight			10,000	
				35,000
(d) Used equipment, where possible				
2 mucking machines			6,000	
1 210 cfm compressor, diesel			7,000	
1 air locomotive			3,000	
8 mine cars			2,500	
4 drills with jacklegs, hose, etc.			3,000	
welder and shop equip.			2,000	
1 used tractor			10,000	
1 reconditioned small truck			1,500	
camp heaters, etc.			500	
Freight and air freight			2,500	
				38,000

(e) None	
(f) Additions to existing buildings	5,000
(g) Payroll taxes, comp. ins.	9,000
Air travel, employees	4,000
Assaying, accounting, radio	2,500
(h) Contingencies	5,500
Total cost of Phase 2.	225,300
Total cost of development (Phases 1 and 2)	$243,000

7. Operator is prepared to furnish its share of the cost of the project as money.

De Coursey Mt. Mining Company

by John L. Williams
John L. Williams, President

REPORT

NAME OF MINE: De Coursey Mountain Mine

METALS: Quicksilver

LOCATION: Lat. 62-06 N.; Long. 158-30 W. on Return Creek, a tributary of Montana Creek, which is tributary to the Iditarod River; in the Fourth Judicial Division, Territory of Alaska.

OWNERSHIP: Eight unpatented mining claims (Last Chance Nos. 1 to 3, incl. and Snow Bird Nos. 1 to 5, incl.) owned by Robert F. Lyman, sold to De Coursey Mountain Mining Company on contract dated October 16, 1951. Purchase price is $70,000; balance due on contract is $56,000, payable in annual installments of $6,222.22 on October 16 of each year.

De Coursey Mountain Mining Company is a public corporation with authorized stock of 300,000 shares at $1.00 par value. Certificate of Incorporation filed at Juneau, Alaska, on October 22, 1951. John L. Williams, Anchorage, Alaska, is President; Edward W. Dodd, Box 523, Anchorage, is manager.

EXAMINATION: Property was visited on September 25, 1952. Other information from USGS War Minerals Investigation Report No. 98775; USBM R. I. No. 4065.

SUMMARY: The De Coursey mine has five ore zones exposed and sampled at the surface. Underground development, except for a few short tunnels at shallow depth, has not developed ore, but it is believed that the underground work was insufficient to disprove continuity at depth.

A preliminary exploration program from existing underground workings is recommended, at an estimated cost of $17,500. If this work is encouraging an extensive development program is recommended at an estimated cost of $225,300.

Total development expenditures of more than $240,000 should develop 55,000 tons of ore with an average quicksilver content of twenty-seven pounds a ton, a total of 1,500,000 pounds of quicksilver.

If the development program is successful in reaching the above goal a modern treatment plant should be built. Total cost of development and construction is estimated at about $500,000.

Additional reserves may be developed at greater depths than would be explored in the recommended program so it is

possible that the mine may eventually produce several million pounds of quicksilver.

It is expected that the cost of producing a 76 lb. flask of quicksilver will be about $110.

HISTORY: Property was discovered in 1910 and has been worked intermittently since then. High grade ore, usually from shallow surface workings and float, was treated in retorts. About 1,500 flasks of quicksilver have been produced.

Discovery Creek, a small creek west of the outcrops, has been worked for placer cinnabar. Production is said to have been 70 flasks. An automatic gate was used to wash off overburden and finer material, and the coarse pieces of float were picked up and favorable spots were shovelled into small sluice boxes.

In 1943 the U.S. Bureau of Mines and the Geological Survey undertook thorough surface prospecting, mapping and sampling.

DEVELOPMENT: As shown on the attached map, five ore zones have been well exposed and sampled by surface trenches. One tunnel, known as the "New" Adit follows the Tunnel vein for 120 feet. Most of the ore has been removed and the adit is caved. Another old tunnel, known as the Brush tunnel is also caved.

Lyman drove a tunnel at an elevation of approximately 810 feet. This work consisted of about 400 feet of crosscut and 450 feet of drift on the structure. This tunnel is blocked by ice but was examined for the first three hundred feet. It appears to be in good condition and should be made serviceable.

Lyman reports that the first forty or fifty feet of drift northerly from the end of the crosscut are in ore but that the material was too low grade to permit treatment in his small retorts. Apparently no other ore was cut but the drift is said to follow a zone of shearing.

Unusually thorough surface prospecting has demonstrated the characteristics of the orebodies, although the high grade spots have now been gouged out.

The Top vein consists of high grade stringers of cinnabar through a body about 85 feet long and 18 feet wide. The width varies from 13 feet to twenty-five feet. Where the higher grade material has been mined from the surface the walls appear to stand well and to dip about seventy degrees to the west.

Southwest of the lower end of the Top vein and between it and the Retort veins some of the intrusive rock carries disseminated cinnabar. A high grade vein in this area is

said to have been mined out.

Minable ore in the Retort vein system extends for 110 feet. Cinnabar is confined principally to high grade lenses. These veins dip about sixty degrees to the west.

The Tunnel vein system lies west of the Retort veins and to the south. Workable length is 180 feet, stoping width is 3 feet. A persistent high grade shot, offset by pre-mineral fractures, makes this vein the highest in grade of any vein discovered on the property. Dip is about seventy degrees to the east, across the bedding. High grade ore has been mined from the surface and from two shallow tunnels.

Lyman had hoped that his tunnel would reach the projected intersection of the Tunnel vein and Retort veins, but he reports that the only ore he found dipped in the same direction as the Tunnel vein but had a strike more nearly parallel to that of the Retort veins.

It seems likely that the Top vein, Retort veins and Tunnel vein are part of the same system and that they can be developed and mined as a unit.

South of the Tunnel vein there is a strong vein system known as the De Coursey vein. Workable length is 90 feet and width is 4.2 feet. The vein structure appears to have a steep easterly dip.

About 1,200 feet southeast of the De Coursey vein there is the "A" vein. This vein appears to consist of two sections having a combined stoping length of 80 feet and width of 3.3 feet. There is a steep easterly dip.

RESERVES: In its report the U. S. Geological Survey listed proven ore at 770 tons but gouging of the high grade and mining from the "new" adit has reduced this figure so that it is considered that there is no proven ore.

Calculations of inferred ore are based on the premise that the frequency of ore occurrence at the present erosion surface is equal to the frequency of ore occurrence for the next 300 feet of depth. It is noted that the mineralized structure between the De Coursey vein and the Top vein is about 1,000 feet in length, that the difference of elevation in this distance is about 250 feet and that there is no known geological reason for expecting that the host rock should be unfavorable within the next 300 feet of depth below the Top vein.

It is, of course, recognized that quicksilver deposition is particularly sensitive to changes in temperature and pressure and there is some possibility that the present surface is

conformable in shape to the surface at the time of metallization. This might mean an abrupt termination of commercial ore at uniformly shallow depths. Although this is considered unlikely the existence of such a possibility dictates the necessity for considerable development before any extensive capital expense is made.

Orebodies at the surface may disappear at depth but it is most probable that their place will be taken by other "blind" orebodies and that the frequency of ore occurrence will be maintained through the recommended development.

The known vein systems indicate a productivity as follows:

Vein System	Length Ft.	Average Width	Quicksilver Lbs./ton	Tons of Ore per vert. ft.	Lbs. Quicksilver per vert. ft.
A vein	80	3.3	31.4	22	690
De Courcey	90	4.2	45.3	31	1400
Tunnel	180	3.0	53.3	45	2400
Retort	110	3.7	24.6	34	835
Top	85	18.5	17.6	130	2280

In the above table assay widths and grade have been adjusted for dilution in mining.

It is assumed that initial development will begin from the 810 foot level (the Lyman tunnel), followed by a development heading at the 700 foot elevation. Inferred reserves to be proven by these two tunnels are:

Level	Tons of Ore	Av. Grade, lbs.	Lbs. Quicksilver
810	31,000	26	810,000
700	24,000	29	690,000
Total	55,000	27	1,500,000

Successful development of the 810 and 700 levels would encourage development from the 600 foot elevation, which would then include development of the A vein.

MINING CONDITIONS: The following facts were noted:

1. Little timber is required.

2. The rock is easily drilled.

3. The rock breaks into small fragments. Low powder consumption is reported.

4. There is little underground water in the Lyman tunnel.

5. Dip of the veins is from sixty to eighty degrees.

6. Stoping widths are generally narrow (three feet) but increase to as much as twenty-five feet.

7. The ore is fairly strong because of silification.

8. Small slips and fractures provide discontinuity along the strike.

9. Branching and parallel veins are important.

Generally, mining conditions are favorable. The ease of drilling, breaking, mucking and timbering is, however, offset by the irregular vein pattern and the necessity for continual exploration of the walls, with the attendant problems of handling development waste in stopes and, in narrow stopes, of providing working places for exploratory drill holes.

A recommendation of a mining method would be premature at this time, but it is felt that a safe and economical system can be devised.

ORE TREATMENT: Most quicksilver mines feed run of mine ore directly to a rotary or hearth type furnace and recover the quicksilver in condensors.

Because of high fuel costs and unreliable transportation it is felt that concentration prior to quicksilver recovery may be preferable to direct furnacing. It will probably be found that the capital investment for a concentrator and plant to retort the concentrates will be little more than a furnace of similar capacity.

In 1945 the Denver Equipment Company made a milling test on theore. Head assay was 119 lbs. per ton, recovery was 96.6% (63.8% by jigging; 32.8% by flotation). Jig concentrate assayed 1,508 lbs. per ton; flotation concentrate assayed 1,230 lbs. per ton; tailings assayed 3.8 lbs. per ton. Tabling the tailings increased recovery by only 0.2%. The sample was ground to minus 10 mesh. Reagents were: Soda Ash, 5.5 lbs. per ton; Copper Sulphate 0.5 lbs; Z-5 Xanthate 0.16 lbs.; Z-8 Xanthate 0.16 lbs.; Pine Oil 0.10 lbs.

It is possible that a very simple plant will give good performance. A crusher, ball mill with both jig and unit cell in the circuit, classifier and concentrate filter may be sufficient.

The concentrate would be high grade enough for self ignition.

TRANSPORTATION: The De Coursey mine suffers from its isolated location. No regular air or river boat service reaches the property and there is no road.

Supplies from Seattle are landed at Bethel by ocean steamer and shipped by river boats to Crooked Creek on the Kuskokwim River. The first boat arrives in June and the last one early in October.

Tractor trains haul from Crooked Creek a distance of twenty-five miles over a winter road to the mine. The season for this hauling is from February to late April.

Freight rates from Seattle to Crooked Creek average about $70 a ton. Tractor hauling will cost an additional $40 to $100 a ton, depending on weather and type of freight.

Light planes (100 hp) can land at the small airfield near the mine. Cost is $12.00 a trip from Crooked Creek; capacity is about 500 lbs. In the winter heavier planes (400 hp) can land 1,400 lb. loads on the winter field.

The nearest commercial airfield with regular DC-3 service is at Flat, a distance of forty miles.

Since fuel oil and heavy equipment must be ordered nearly a year in advance the development program must be planned accordingly.

Construction of an airfield suitable for use by larger planes should be undertaken as part of the development program. There is a suitable site about two miles from the mine. It is most probable that the Territory of Alaska will pay half of the cost of construction of the field and access road.

When a suitable field is available air freight costs will be about twelve cents a pound from Anchorage and quicksilver should get a commodity rate of about five cents a pound from the mine to Anchorage.

ESTIMATED COSTS: The total cost of developing 50,000 tons of ore, equipping and constructing the mining and ore treatment plants, power plant, camp, airfield and other facilities will be about $450,000. At least $50,000 must be furnished as working capital.

Operating costs are estimated as follows:

		Cost per ton			
Operation	No. Men	Labor	Supplies	Deprec.	Total
Stoping	5	1.15	0.60	0.20	1.95
Timbering	2	0.90	0.40		1.30
Tramming	2	0.85	0.10	0.20	1.15
Development	4	1.80	0.50	0.05	2.35
Supervision	1	0.50			0.50
Surface Haulage	1	0.45	0.30	0.10	0.85
Ore Treatment	5	1.85	1.60	2.50	5.95

Operation	No. Men	Cost per ton Labor	Supplies	Deprec.	Total
Power Plant	3	1.10	2.50	1.35	4.95
Surf. Shops	2	0.95	0.30	0.15	1.40
Whse. & office	1	0.40	0.05	0.20	0.65
Tractor operation	1	0.45	0.30	0.40	1.15
Cookhouse	2	0.85	(included)	0.30	1.15
Manager	1	0.55			0.55
	28	11.80	6.65	5.45	23.90

Payroll taxes, comp. insurance, etc.	1.05
Insurance	0.10
Travel and misc. expense	0.30
Radio, mine office supplies, etc.	0.05
Home office and legal expense	0.60
	$26.00
Contingencies (interest, break downs, etc.)	4.00
Total cost per ton of ore	$30.00

With a plant recovery of 25 lbs. of quicksilver per ton, the estimated cost per pound of quicksilver is:

Production cost	1.20
Marketing cost	0.25
Total cost per pound of quicksilver	$ 1.45
Total cost per flask	$110.00

PRESENT EQUIPMENT: The De Coursey mine has mess and living accommodations for about ten men.

At the portal of the Lyman tunnel there is a compressor house with an eighty-five cubic foot Ingersoll-Rand compressor, driven by a gas engine. Pipe and rails are in the tunnel, but there is very little extra rail (about forty feet). There are one stoper and two jackhammers (45 lb. and 35 lb.), with both cradle mounting and jack-leg.

RECOMMENDATIONS: The De Coursey Mountain Mine is very nearly an assured small quicksilver producer. The immediate problem is to make that assurance positive as rapidly as possible and with the minimum of expense.

The following program is recommended:

1. Rent a tractor, either at Flat or Donelin Creek.

2. Fly foodstuffs and minor supplies to the mine, using the tractor to prepare the winter field, open the camp roads, and haul firewood.

3. Purchase sectional drill steel, gasoline, and other supplies and minor equipment and fly these to the mine, either by way of Flat or Crooked Creek.

4. Employ three men, one of whom will act as cook and camp roustabout. Employ one mining engineer, who will also act as engineer at the Red Devil Mine.

5. Drill fifty foot holes in the walls of the Lyman tunnel, as shown on the attached map. Collect all sludge from the drill holes and make separate samples of each four foot interval. The engineer will pan each sample and will have assays made on all samples that show any cinnabar. Since the sludge from high grade ore is clearly recognizable, drillers can break sample intervals so as to separately sample the higher grade portions of the veins.

6. Continue the Lyman tunnel an additional 100 feet northwesterly, as shown on the attached map. Since there is insufficient rail for this work, a temporary track must be made from wooden two by fours with strap iron.

7. As soon as long hole drilling gives reasonable assurance of ore near the Lyman tunnel, order a larger compressor, mucking machine, rail, pipe, and other equipment and supplies required for driving an adit from the 700 foot elevation. Have these delivered by air to Flat and hauled to De Coursey by tractor before the middle of April.

8. In the Lyman tunnel, crosscut to favorable zones located by drilling and drift and raise on one or more of these zones.

9. Drive the 700 foot tunnel as rapidly as possible.

10. Build an airfield. Try to obtain some of the road building equipment now at Flat and haul to the site before the middle of April.

11. Make concentration tests and tests for the recovery of quicksilver from the concentrates as soon as ore is found in the Lyman tunnel. Try to have all tests and plant design completed before June 1, 1953.

12. Expedite all development work in an effort to have sufficient ore proven by the middle of the summer to warrant placing orders for the mine and treatment plant.

13. Have equipment and fuel delivered to Crooked Creek before the end of navigation in 1953. Haul to the mine early in 1954.

14. Have the plant in operation in July, 1954.

For simplification the above program is discussed in three phases: Phase No. 1 consists of recommendations 1 to 6, incl.; Phase No. 2 consists of recommendations 7 to 12, incl.; Phase No. 3, the construction phase, consists of recommendations 13 and 14.

It may be possible to apply for and receive approval of a Defense Minerals Exploration contract in time to start Phase No. 1 before December 1. In any event it is recommended to the company that this phase be started as soon as possible.

The time schedule for completion of Phase No. 1 is:

December, 1952: Move tractor to mine, prepare winter landing strip; cut camp wood; clear ice from Lyman tunnel.

January, 1953: Drill twenty exploratory drill holes in Lyman tunnel; begin extension of drift.

February, 1953: Complete drift and exploratory drill holes; complete Phase No. 1.

Estimated costs for Phase No. 1 are:

Labor:	2 men three months @ $690	4,140	
	1 man three months @ $600	1,800	
	½ engineer's salary @ $650	975	
			6,915
Supplies:			
	Groceries, less board deduction	500	
	Gasoline, 500 gal. @ 0.24	120	
	Fuel oil, grease, lube oil	180	
	Dynamite, caps, fuse	200	
	Misc. supplies	500	
	Air freight on above	2,000	
			3,500
Equipment:			
	100 ft. sectional drill steel in 4 ft. lengths; 4 two ft. lengths; 4 one foot lengths, 7/8"	120	
	10 carbide steel bits	140	
	Freight and air freight	50	
			310
Tractor Rental	(should apply on purchase price of used tractor)		3,000

Payroll Costs (taxes, comp. ins.)	750
Contracts (wood, hauling, etc.)	750
Air Travel Employees	400
Misc. Expense (accounting, radio, assaying, etc.)	1,000
Contingencies (repairs, etc.)	1,075
Total cost of Phase 1.	$17,700

The time schedule for completion of Phase No. 2 is:

February, 1953: Place orders for equipment and supplies; try to obtain used equipment in Anchorage.

March, 1953: Fly equipment and supplies to Flat and haul to mine; haul fuel oil from Crooked Creek; crosscut and drift in Lyman tunnel; raise for exploration and ventilation.

April, 1953: Start new tunnel at 710 foot elevation, working two shifts; continue work in Lyman tunnel.

May to March, 1954: Complete an estimated total of 2,800 feet of drifts and crosscuts and 900 feet of raises in both levels and in a sublevel at the 900 foot elevation. Build an airfield.

March, 1954: Haul machinery and supplies for construction. Begin construction program.

Estimated costs for Phase No. 2 are:

Labor: 8 miners 12 months @ 690	66,000	
1 mechanic and welder, 12 mos. @ 690	8,200	
1 tractor operator, 12 mos. @ 690	8,200	
2 laborers, 12 mos. @ 560	13,500	
1 cook, 12 mos. @ 600	7,200	
1 flunkey, 12 mos. @ 400	4,800	
1 engineer-foreman, 12 mos. @ 700	8,400	
15		112,300

Supplies:		
Groceries, less board deduction	5,000	
Gas, fuel oil, lube and grease	6,000	
Explosives	4,000	
Mine rail, drill steel and bits	4,000	
Pipe and fittings, vent. pipe	3,000	
Misc. supplies, small tools	3,000	
Freight and air freight	10,000	
		35,000
Equipment (reconditioned used, where possible):		
2 mucking machines	6,000	
1 210 cfm diesel compressor	7,000	
1 air locomotive	3,000	
8 mine cars, 16 cf	2,500	
4 drills with jacklegs, air-hose, etc.	3,000	
welder and shop equipment	2,000	
1 used tractor	10,000	
1 reconditioned truck	1,500	
camp heaters, etc.	500	
Freight and air freight	2,500	
		38,000
Contracts:		
Haulage	2,500	
Airfield and access road (½ cost)	10,000	
Camp improvements and additions	5,000	
Wood and mine timber		
		19,000
Payroll costs (taxes, comp. ins.		9,000
Air Travel, Employees		4,000
Misc. Expenses (accounting, assaying, radio)		2,500
Contingencies (repairs, etc.)		5,500
Total cost of Phase No. 2		225,300
Total cost of development (Phases 1 and 2)		242,800

The estimated cost of development of the De Coursey mine is very high, in spite of the fact that the rock appears to be ideal for the rapid progress of development headings. Because of its isolation difficulties with delivery of supplies, breakdown of machinery and turnover of labor will have an unusually adverse effect on costs and progress.

September 30, 1952

Charles F. Herbert

Charles F. Herbert

APPENDIX

Inventory at De Courcey Mine - September 25, 1952

1	7 x 11 jaw crusher
1	Denver Harts type jig
500 ?	empty quicksilver flasks
1	3 room log house
2	small log houses
1	15 x 20 frame house
1	small shop building
1	85 cfm gasoline driven air compressor
1	JB 4 jackhammer
1	35# jackhammer
1	stoper
1	cradle and column for jackhammer
1	jackleg
3	water tanks for drilling
	track and pipe in Lyman tunnel
1	compressor house

(Camp can accommodate 8 to 10 men)

FILE COPY
SURNAME:

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

Rutledge
Hoffman
Meagher
McFarlet
Fletcher
Johnson

AIR MAIL

MAR 6 1952

S. D.

Mr. C. W. Sherman, Director
DeCoursey Mt. Mining Co., Inc.
P.O. Box 2232
Anchorage, Alaska

Re: Docket No. DMA-276 (Mercury)
DeCoursey Mt. Mining Co., Inc.
Otter Mining District
4th Judicial Division, Alaska

Dear Mr. Sherman:

Your application for an exploration contract consisting of underground drifting and diamond drilling on the lode mercury deposits and trenching by dragline on the placer mercury deposits at DeCoursey Mt. has been reviewed by this agency.

The past exploration of the lode deposits by the U. S. Bureau of Mines and Robert F. Lyman, previous owner, gave a total indicated and inferred reserve of 14,370 tons of ore containing 6,093 flasks of mercury. Additional development by Lyman on the 820-foot elevation level indicated that the mineralization was becoming weaker with depth and that the previously inferred intersection of the east-dipping Tunnel Vein and west-dipping Retort and Top Veins did not occur. Therefore the exploration program outlined by you of driving a drift on the 600-foot level would not be warranted on the premise of making a significant discovery of mercury ore that would contribute to the National Defense.

The indicated and inferred tonnage estimate (100,400 tons) given in your application was undoubtedly taken from the Geological Survey report by Edward J. Webber: "Quicksilver Deposits in the DeCoursey Mountain Area, Iditarod District, Southwestern Alaska". However your estimate of contained mercury and analysis could not be substantiated: Your figure of 50 pounds per ton does not agree with the 15.1 pounds per ton used by Webber and based on Bureau of Mines sampling. The figure of 100,400 tons at 15.1 pounds per ton given by the Geological Survey, (based on a 10 pound per ton cut off, at a price of $210.00 per flask and 80 percent recovery, would return approximately $33.26 a ton against your estimated cost of $61.50.

The exploration program, outlined for the placer deposits, is too extensive in view of the present situation of the supply of mercury, the probable extent of the placer deposits, and the eight placer claims held under lease. On the map attached to the application,

trenching had been indicated for Return Creek, all of Montana Creek below the confluence of Return Creek, and the two major tributaries on the right limit of Montana Creek below Return Creek. The eight placer claims listed could cover only Discovery Creek and a portion of Return Creek. Though cinnabar colors may be panned on almost any creek in the area, it is unlikely that any substantial quantities of mercury will be found outside of the area already covered by the claims leased from Lyman.

The proposal to sample by trenching with a dragline across the valleys is also questioned. It is unlikely that a true sample could be obtained by this method at a reasonable cost. The acceptable method of sampling placer deposits of other materials is by churn drilling which gives excellent results especially in frozen ground. Results can be checked by test shafts.

Though it is unquestioned that a moderate quantity of mercury may be obtained from a placer operation on Discovery and Return Creeks below the lode deposits, the promise of making a significant discovery of mercury which would contribute to National Defense is such that an exploration program is not warranted.

Under the circumstances, we regret to inform you that your application is denied.

Sincerely yours,

C. O. Mittendorf (for) 3/5

Acting Administrator
Defense Minerals Exploration
Administration

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

FRutledge/jem
2/29/52
cc to: Adm.Reading File
Docket
Messrs. Meyer,H.M. Rm. 3623
McKnight, E.T. Rm. 4204 GS
Hofflund,J. Rm. 4627
Ellis
Rutledge
Field Team, Region I

(2)

2/27/52 gla

IN REPLY REFER TO:

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

February 26, 1952

Re: DMEA-2276
DeCoursey Mountain Mining Company, Incorporated
DeCoursey Mountain area
Southwest Alaska
Exploration loan, $325,000
Quicksilver

Memorandum

To: Mr. E. Wm. Ellis

From: Edwin T. McKnight

Subject: Appraisal of subject docket

This application proposes (1) to explore at depth the lode deposits from which a previous production of 1,485 flasks of quicksilver have been obtained, and (2) to explore by extensive trenching the cinnabar placer ground recently discovered in the general area. The costs of the 2 separate projects are, respectively, $188,463 and $136,623. The Government is requested to advance 3/4 of the costs in conformity with the commitments set forth in MO-5.

The field team recommendation on this proposal recommends a denial for other than geologic reasons. The following discussion was largely prepared before the field team report was received, and is being transmitted for what help it may be in considering the docket.

Certain strategic considerations involving this application should be pointed out at the outset. The purpose of aid to mining companies under the Defense Production Act of 1950 is presumably to have available a reserve of strategic material that can be available in case our normal supply is cut off by an all-out emergency. The deposits covered by this application are in a wild and inaccessible area near the mouth of the Yukon in Southwest Alaska. The camp is accessible for freight only by airplane, by tractor sled in the winter time, or by boat up the Kuskokwim River. Under present threats to world peace, it appears likely that strategic materials from this area would be very doubtfully available under any foreseeable emergency. As the stockpile of quicksilver is at present adequate for several years of anticipated needs even under complete lack of supply, the metal is no longer being stockpiled for strategic purposes. Hence, it appears doubtful that this particular application has any truly strategic value. In the following discussion, this strategic factor is not further considered.

LODE EXPLORATION - $188,463

The lode deposits have been examined and reported upon by the Geological Survey (report by Webber attached) and the Bureau of Mines (RI 4065). The country rock is alternating shale and graywacke containing sill-like bodies of hydrothermally altered diabase, the whole sequence striking northeast and dipping steeply to the northwest. The orebodies are thin discontinuous veins along brecciated zones that strike nearly parallel to the strike of the sedimentary rocks, but dip in general more steeply or commonly dip to the southeast, so that the strata are crosscut on the dip. The veins may occur in either the diabase or in the sediments immediately enclosing them, the ore appearing most abundant in the bordering shales. Some ore occurs in impregnations and fillings along bedding plane joints adjacent to the veins. The veins average less than a foot wide and have many offsets, as though faulted, but critical study shows that all the fracturing is pre-ore, the ore having made along the fractures of general north to northeast trend, but not along the cross fractures. There is no real continuity to the veins, but the vein zones, composed of discontinuous segments along a general trend line, may be as much as 500 feet long.

The grade of ore in some of the vein segments is quite high. Samples taken at and near the surface by the Bureau of Mines show sample widths of 0.5-3 feet that commonly average well above 25 lbs. of quicksilver per ton, and many of these samples show several hundred pounds per rock ton. However, because of the pockety distribution of the ore, there may be extremes of variation between adjacent samples taken only a few feet apart along the vein segment. The better vein lenses are described as up to 1 foot wide and 15 feet long, the highest grade sample collected by the Bureau of Mines containing 654 lbs. of quicksilver per rock ton (over a width of 0.6 ft). When considered over mining widths, one block of the better ore in the Tunnel vein over a length of 184 feet and a mining width of 3.2 feet showed an average grade of 50 lbs. of quicksilver per ton in the Bureau of Mines sampling. In 1944, the Geological Survey estimated all ore, including inferred ore, above a cutoff grade of 25 lbs. of quicksilver per ton at about 28,000 tons in the ground to be explored by the applicant's proposal. This was estimated to contain about 11,450 flasks of quicksilver. However, because later development in depth on one of the more promising showings has been disappointing, the Geological Survey estimate of reserves has been considerably lowered (unpublished report, 1952). Considerable antimony is also contained in the ore.

Veins in the general area to be covered by the proposed exploration are exposed over a length of about 1,100 feet in a NNE direction. Four separate "veins" have been described, showing an echelon pattern (see Fig. 5 of report by Webber). Only one vein, the Tunnel Vein, has been mined to any considerable extent. The stoped

length amounts to 100 feet near the surface of this vein, and for about 40 feet of this, the vein has been stoped to a depth of about 80 feet. In 1944 an average of 58 lbs. of high grade hand-picked retort ore was taken from each square foot of the vein mined, the average width of this ore being 8 inches.

In the area proposed for exploration, vein exposures lie between altitudes 760 and 1,000. The floor of the lowest stope on the Tunnel vein is at 820. The exploration proposal is to start a new deep adit at altitude 600 and follow a general NNE course under the 4 surface veins, thus intercepting them in depth. The adit will be essentially parallel to the strike of the generalized vein zones (see blue print submitted by applicant). Total length of the adit will be 1,700 feet. The first vein zone will be reached at a distance of about 600 feet from the portal. At the proper location deeper in the adit, a 50° incline, 310 feet long, will be raised to the floor of the stope on the Tunnel vein. Because the dip of the various known veins are too indefinite to be extended to the adit level and as the veins are probably segmented and discontinuous along the dip as well as along the strike, the project contemplates a drilling program to locate the ore from the sides of the adit and of the raise. The proposal is to drill a series of horizontal 7/8" drill holes, 24 feet long, at 20 foot intervals along both sides of the adit and raise; although these holes are not shown on the map, the 160 holes proposed would explore 1,580 feet of the adit, and 30 holes proposed for the raise would explore essentially all of the raise. In addition, the applicant proposes to drill a series of horizontal diamond drill holes, each 100 ft. long at 50-foot intervals along both sides of the adit and raise. The 68 holes proposed for the adit and 10 holes for the raise would explore essentially all of the workings at the intervals indicated.

The application fails to mention one very pertinent development. In 1946-48, a crosscut at the 820-foot level was driven from the draw on the west, intercepting the Tunnel vein below the previously stoped level. From this crosscut, a drift was extended northeast for 475 feet along the line and essentially to the end of the proposed new drift at the 600-foot level. Only the southwest one of the 4 surface veins was by-passed by this development. The ore developed on the Tunnel vein showed a reduction in values over what had been found at higher levels, and no ore was found under the other veins to the northeast. The exploration performed by this tunnel was geologically sound but incomplete, owing to lack of crosscutting or lateral drilling for the downward extension of mineralization on the veins northeast of the Tunnel vein. Considering that this tunnel is 140-200 feet below the outcrops of these veins, ample backs are present, and if the veins do

not persist to the 820 level, there is little justification for drifting at still deeper levels even though at first thought the deeper exploration appears geologically sound. The proposed drilling from the tunnel should therefore be transferred to the 820 level where 100-foot holes might be drilled at 50-foot intervals, on the southeast side of the drift over its whole length of 475 feet. The holes should be near the horizontal, but might be inclined downward at a slight angle (10-20°) to allow for the steep westward dip of the veins. The 50-foot spacing is believed to be necessary because of the erratic and discontinuous nature of the ore, but the short (24 ft.) holes between the proposed diamond drill holes are believed to be superfluous.

Applicant also proposes (p. 7 of "brochure") 6,300 linear feet of bulldozer trenching on the surface, at a cost of $18,900. No details as to where, or justification for this trenching is given. In view of the large amount of surface trenching already done on the deposits that are to be explored by the underground work, further surface trenching is not justified.

PLACER EXPLORATION - $136,623

Applicant proposes dragline trenches to bedrock every 1,000 feet along Return and Discovery Creeks and every 2,000 feet along Montana Creek. The total number proposed is 18 trenches on Return Creek, 5 on Discovery Creek and 24 on Montana Creek. The depth is estimated at 6 feet on Return and Discovery Creeks, and 9 feet along Montana Creek. The trenching is to be preceded by driving of thaw points and pumping in thaw water to melt the ground ice.

Although exploration of placer ground has some merit in this area, the program proposed is far too ambitious. The only justification given by applicant is that 2 trenches made across Discovery Creek near its head showed on the bedrock 10"-14" of mercury bearing gravel which, upon retorting yielded ".9 lb. of Hg per bedrock foot". The meaning of the grade quoted is not clear.

The Geological Survey man familiar with this deposit is Mr. Joseph Hoare, who has written to me as follows, regarding the proposed placer exploration:

"I think that the placer deposit has distinct possibilities but that the prospecting program is far too large as proposed. Lyman

[a previous operator] built an earth dam with a movable gate on Discovery Creek at the place where the creek valley begins to widen out. This is probably 3000 feet above its mouth. He used his small supply of water and movable gate to splash a small cut to bedrock below the dam. The cut is about 6-10 feet wide and 50 feet long. The amount of cinnabar he scraped up from this small prospect cut was encouraging. At this point the alluvium was 5-7 feet deep. The cinnabar recovered was shot to egg-sized. The alluvium deepens downstream and is permanently frozen at many places. Perhaps 1000 feet below the dam he sank a shaft about 10 feet but was stopped by water before reaching bedrock. He recovered an egg-sized piece of cinnabar from the shaft. He has panned fine cinnabar colors a mile or so down Return Creek. This may have been at the one place that Return Creek cuts bedrock in this stretch. I do not know why the applicant should want to dig on Montana Creek which is 3-4 miles downstream from Decoursey Mine. I am sure that cinnabar colors could be panned on Montana Creek (as they can on dozens of other creeks in this general region) but they would not in themselves indicate mineable ground.

"In my recommendations [to Lorain] I suggested prospecting on Discovery Creek with a churn drill which is standard procedure for prospecting gold and platinum placers. . . . I think that a program of churn drilling would be much less expensive [than the proposed dragline operation] and would suffice to show the tenor and extent of the placer deposit.

"In September, 1950, when I last visited the mine, there was only one prospect trench on Discovery Creek. The second trench which the applicant speaks of may be the cut on the hillside Lyman dug to get material for his dam. He recovered considerable float ore from this, as well as many other trenches. . ."

I am in agreement with the suggestions made by Mr. Hoare as to cutting the size of the project, and substitution of churn drilling for the more expensive dragline operation. Since there is considerable doubt that the alluvial overburden will prove to be as thin as surmised by the applicant, a churn drill would run into no complications due to a thicker alluvial deposit than anticipated.

Edwin T. McKnight

Edwin T. McKnight
Geologist

2/26/52 gla

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

FEB 26 1952

Airmail

February 14, 1952

Mr. C. O. Mittendorf
Acting Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA-2276
DeCoursey Mt. Mining Co., Inc.
DeCoursey mine-lode and placer
Exploration loan $325,000
Quicksilver

Dear Mr. Mittendorf:

The Field Team, Region I, has just received your letter of February 6 regarding the subject application. Before making a technical appraisal of the application we will report on your item 4, "Capability and integrity of the applicant".

Some time ago we discovered, through the U. S. Marshall at Fairbanks, that Mr. C. A. Sherman, the moving spirit behind this application, has a record of at least four criminal indictments. We checked with the authorities in the localities indicated and received the following information:

From	Indictment	Date	Disposition
Chief of Police Omaha, Neb.	Grand Larceny	3/3/25	Released on bond Rearrested Discharged
Do.	Obtaining money under false pretenses	12/6/32	No record
Chief of Police Jackson, Miss.	Larceny by trick	11/17/39	Released - no charge sustained because "he was not paid in that he did not fulfill his contract".
U. S. Attorney Jackson, Miss. and U. S. Marshall Kansas City, Mo.	10 counts of mail fraud and conspiracy	9/11/41	Dismissed - not brought to trial.

In addition to the above we have heard of various rumors that Mr. Sherman has been involved in several "shady" deals in Alaska.

Reviewed by
DMEA OPERATING COMMITTEE

2-25-52
(date) (HB)

Currently the Pilgrim antimony mine, a very good potential operation in the Kantishna district, Alaska, is tied up in litigation resulting from one of Mr. Sherman's promotions.

You will note that no convictions have been obtained; however, there is too much smoke for there not to be some fire.

Although Mr. Sherman does not appear as an officer of the corporation, it is evident that he is the moving spirit behind it. The officers are low-salaried employees or small business men,who, apparently, have put up the money for the down payment on the property. We were able to obtain confidential information to the effect that, as of a certain date this winter, Scott E. Thomas, Secretary, had a bank balance of $1.53 and William L. Warren, Treasurer, was overdrawn $9.30. In other words, they would scarcely rate as "substantial citizens" moneywise, although otherwise in good repute. We think that Sherman is using them for a "front" only.

The property has good possibilities for mercury production, both placer and lode, but the application shows many defects. In view of Mr. Sherman's background, it seems hardly worthwhile to take the time for a technical analysis, but we will do so if you request it.

It is our recommendation that the application be denied, although we are somewhat at a loss to suggest the proper wording of the denial. Unfortunately Mr. Sherman does not appear as an officer nor do we have any record of convictions. We suggest that legal counsel might be advisable.

Yours sincerely,
Field Team, Region I

S. H. Lorain

S. H. Lorain, Executive Officer

W. S. Twenhofel

W. S. Twenhofel, Geologist

cc: Mittendorf (3)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

OFFICE OF
REGIONAL DIRECTOR

P. O. BOX 2990
JUNEAU, ALASKA

February 13, 1952

F. A. Rutledge, Mining Engineer
U. S. Bureau of Mines
Room 4640, Interior Building
Washington 25, D. C.

Dear Frank:

Glad to learn that you are established and have already viewed the president. No doubt he is easier to view than to interview - if there were any object in the latter.

Bob sent you the mercury RI yesterday - hope you have it by this time. The DeCoursey referral arrived this morning with pertinent comments by the Operating Committee and by Helena M. Meyer. Wonder if anyone noted that the proposed placer exploration covers about 5 times as much ground as the applicant shows title to. We never did agree with the placer proposal as presented, but think both that and the mine could produce profitably under a proper program and management. Lorain will have some comments on both when he returns from a short vacation.

Mulligan blew in from Lost River Sunday and is on his way to Seattle today. He reports progress at the mine as being excellent considering the conditions. May flew in from Whitehorse yesterday but overheaded to Annette. No doubt he is greatly enjoying his little side trip while his wife waits with the car at Whitehorse.

Have been working up a loan and ore purchase proposal on Red Mountain Chromite (Star 4) for Mike Seiler. Looks like a good proposition if he could get Grants Pass prices at Jackolof Bay or even Seldovia. The road through to Seldovia is supposed to be finished next year. Don't suppose anything will come of my efforts but we must keep the customers happy and me busy with the pencil.

Best regards,

Jerry

J. A. Herdlick
Chief, Mining Division

700 FILE COPY
SURNAME:

Rutledge
Ellis
Watt

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

FEB 1 0 1952

r. L. . . herman, Director
eco.rse t. ining Co., Inc.
. . ox 2732
nchorage, laska

Docket o. 2-76 (ercur)
ecourse t. ining Co., Inc.
tier ining District
4th ecicial i ision, laska

Dear r. herman:

ference is made to the above application. A request has been air-mailed to Mr. Morain, Executive Officer, Dmr Field Team, Region I, asking for a review of this docket and the Field Team's recommendations.

In addition we believe the following information will assist us in reaching a decision on your application: the location and ownership of the equipment and buildings mentioned in your line reclaire. We are especially interested in the buildings and equipment now present on the property and the housing facilities. Please mail a copy of your reply to Mr. Morain.

Sincerely yours,

2/13/52

rnest . . Ellis, Acting Chief
Base and Nonmetallic Minerals Division
Defense Minerals Exploration
Administration

FAhutledge/jem
2/12/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, C.H. Rm. 3021
cKnight, T.T. Rm. 4204 GS
llis
Rutledge
Field Team, Region I (2)

COPY

Francisco, Calif.
Feb. 11, 1952

Edwin T. McKnight
U.S. Geological Survey
Washington 25, D.C.

Dear Mr. McKnight:

In response to a request from Lorain I prepared a report suggesint a certain amount of exploratory drilling for ore at the Red Devil (New Idria) and Decoursey Mt. Mines. both of which are in the Central Kuskokwim region, Alaska. The report was requested and completed prior to the request for DMA assistance by Sherman and Co. You will probably receive a thumbs-down recommendation from Lorain before long, although Lorain is more optimistic about Decoursey than I am.

To give you a little background and some of my ideas, I will answer your letter by paragraphs.

1. The 820 level was driven 1946-48. I mapped it with a Brunton and added it to the mine map I made with a plane table in 1943. The purpose of the adit was to see if ore continued to depth and if it increased in value where the east-dipping Tunnel Vein might intersect the west-dipping Retort and Top veins. The information obtained was not very encouraging but additional information could be obtained at slight expense as I will point out following. A stope 30-40 feet long was put through between the 820 level and 871 level. The only ore came from this. On the 820 level the Tunnel Vein was far weaker than on the 871 level. Very weak mineralization was found at numerous places along the northeastern part of the 820 level. The hydrothermal alteration of the sedimentary and intrusive rocks was more intense on the 820 level than on the 871 level. The operator did not have the equipment to do any exploratory drilling from the 820 level and there is still some possibility that ore might be found by drilling long holes east and west of that adit. This is what I recommended to Lorain; for it is an inexpensive way of exploring a large block of possible ore-bearing ground.

2. The amount of money requested is considerably in excess of the value of the quicksilver produced to date from this mine.

3.& 4. The program of work laid out is apparently designed to be exhaustive. In this respect it has some merit from a theorhetical standpoint. At the present time, we are more or less proceeding on the assumption that quicksilver mineralization is very shallow. In this assumption we are undoubtedly influenced by noting the fact that individual ore bodies (mainly fracture fillings) pinch out at a shallow depth. However further exploratory work might show that other lense-shaped ore bodies with no surface expression are present at greater depths. (This was found to be so at the New Almedan Mine in California where they are now mining ore at a depth of 1000 feet below the surface. This deep ore was located by an intensive diamond drill program after the near-surface ore bodies were exhausted.) The information obtained from the work suggested by Sherman and Co. would be useful in evaluating possible reserves at Red Devil Mine and at other quicksilver deposits in Alaska, but the expense of the operation gives me pause. This is why I suggested the conservative program of drilling mentioned above. If ore is found at depth by drilling from the 820 level, the mining of it will help defray the cost of more extensive exploratory work.

5. The former owner, Robert Lyman, and the Bureau of Mines did a good job of surface trenching -- enough to uncover any surface indications or ore adjacent to or on strike with the known ore bodies. A number of trenchs are not plotted on any map for they were done since the mine was mapped in 1943.

6. Drilling for quicksilver ore-bodies is, at best, a hit-and-miss proposition, because they are discontinuous both horizontally and vertically. For this reason, I recommended to the Bur. of Mines that surface drilling be done ofn 25-foot centers in certain critical areas. The fact that there is no surface indication of ore bodies does not preclude the possibility of ore bodies at depth because they are known to be lense-like. For this reason and to exhaust the possibilities, I would agree to drilling along the first 500 to 600 feet of the proposed adit, if the adit is driven. I might add that I think that any drilling should be done about normal to the dip of the known ore zones rather than horizontally. This would cut more of the mineralized zone with the same length of hole.

7.& 8. I think that the placer deposit has distinct possibilities but that the prospecting program is far too large as proposed. Lyman built an earth dam with a movable gate on Discovery creek at the place where the creek valley begins to widen out. This is probably 3000 feet above its mouth. He used his small supply of water and movable gate to splash a small cut to bedrock below the dam. The cut is about 6-10 feet wide and 50 feet long. The amount of cinnabar he scraped up from this small prospect cut was encouraging. At this point the alluvium was 5-7 feet deep. The cinnabar recovered was shot to egg-sized. The alluvium deepens downstream and is permanently frozen at many places. Perhaps 1000 feet below the dam he sank a shaft about 10 feet but was stopped by water before reaching bedrock. He recovered an egg-sized piece of cinnabar from the shaft. He has panned fine cinnabar colors a mile or so down Return Creek. This may have been at the one place that Return Creek cuts bedrock in this stretch. I do not know why the applicant should want to dig on Montana Creek which is 3-4 miles downstream from Decoursey Mine. I am sure that cinnabar colors could be panned on Montana Creek (as they can on dozens of other creeks in this general region) but they would not in themselves indicate mineable ground.

In my recommendations I suggested prospecting on Discovery Creek with a churn drill which is standard procedure for prospecting gold and platinum placers. A dragline is a very effective tool for prospecting in some places and it is nice to have it handy for future mining operations, but I am not certain it will work in this instance because of the frozen ground. I think that the frozen ground would have to be blasted loose before it could be picked up by the dragline. The spotty nature of the frozen ground makes it very hazardous to use a bulldozer, let alone a dragline. The thawed areas are very wet and make fine traps for such heavy machinery. I think that a program of churn drilling would be much less expensive and would suffice to show the tenor and extent of the placer deposit.

In September, 1950 when I last visited the mine, there was only one prospect trench on Discovery Creek. The second trench which the applicant speaks of may be the cut on the hillside Lyamn dug to get material for his dam. He recovered considerable float ore from this, as well as many other trenches. This brings up the matter of the eluvial or float ore. I pointed out to Lorain that there is apparently a large amount of float ore present in the overburden on the hillside below the known veins. It is were possible to hydraulic off the hillside, the ore could be recovered. Abundant water could be obtained from Return Creek either by a ditch or pipe line. The chief difficulty is the frozen ground

Were it not for the frozen ground Lyman would have recovered much more of the float ore on the lower hill slope than he did by means of bulldozer trenches. However, if the thick moss cover could be scraped off in the spring while the annual frost is still in the ground (thus permitting a bulldozer to work effectively without getting stuck), the permanently frozen ground would thaw in the course of a year or so. This would also expose any ore bodies present on the hill. Naturally the placer deposit should be prospected and mined (if economically feasible) before the hill is sluiced off.

These are the gist of my ideas on further work at Decoursy Mine - most of which are included in my recommendations to Lorain. If I can supply you with any further information, I will be pleased to do so.

Sincerely yours,

/s/ Joseph M. Hoare
Joseph M. Hoare
Geologist

P.S. George Gates will probably be in Washington when you receive this letter. He has talked with Lorain in the past month and can give you some information on the prospects of a DMA loan to the applicant.

700 FILE COPY
SURNAME:

Rutledge
Ellis
Witt

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

FEB 8 1952

Mr. C. A. Sherman, Director
Recourse Pt. Mining Co., Inc.
P. O. Box 2232
Anchorage, Alaska

Re: Docket No. [illegible]-2[illegible] Coercer;
Recourse Pt. Mining Co., Inc.
Anchorage, Alaska

Dear Mr. Sherman:

Our letter of January 24, 1952, to Mr. C. C. Wittendorf, Acting Administrator, Defense Minerals Exploration Administration, has been referred to this office.

Your application for an exploration contract on the lode and placer mining at the Recourse Pt. mine has been submitted to the Rare and Miscellaneous Division of the Defense Minerals Exploration Administration and is now being processed.

In regard to your question if Mr. Wittendorf was at Fort Yukon in 1939, Mr. Wittendorf states he could not be the same man.

We trust this is the information you desire.

Sincerely yours,

Ernest W. Ellis, Acting Chief
Rare and Misc. Metals Division
Defense Minerals Exploration
Administration

E.W. 2-8-52

FARutledge/jem
2/6/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, GH Rm. 3621
McKnight, FF Rm. 4204 GS
Ellis
Rutledge
Field Team, Region I (2)

[illegible] of [illegible] must have approval of Government.

Drainage ditching not under Stage II high unless all agreements functioned under Stage I

[illegible] not [illegible] Stage

[illegible] 90 percent [illegible] material.

$\frac{12,000}{2500} = \$4.00$/ft below [illegible] $3.00

Hold until we receive further info from Winnipeg - F.T. Region I

J.M.
5-18-53

DECOURSEY MT. MINING CO., INC.
P. O. BOX 2232
ANCHORAGE, ALASKA

JAN 28 1952

JAN 24-52

Dear Mr Mittendorf.

DMEA 2276

I learned a few days ago that you were in charge of DMEA

were you formerly with Washington Engineering of St Louis? if so I worked for you at Fort Riley in 39 as an inspector under Mr White.

No! Do not know this man. C.M.

Have been in Alaska since 1943 and it is a great Country and has a lot of possibilities.

We have the application with your agency and was interested to get the application processed as soon as possible as we have to get our equipment moved in before the spring thaw here.

Would appreciate hearing from you.

Sincerely yours
C. A. Sherman

Mr. Rutledge: Ext. 617, NA 3120 Thurs. Feb. 7

Following your departure last evening, a phone call came from Miss. Council of the office of the Delegating Congress of Alaska inquiring the status of DMA-2276 - De Coursey. I told her we were waiting for a report from the Region I Director - she inquired if he was Mr. Lorain. She asked to be kept informed re: progress.

Five minutes later she said the Delegate (is his name Bartlett?) wanted her to call back and ask what kind of information is still needed. I told her I was not qualified to answer that — but to the best of my knowledge considerable information was needed. She will phone tomorrow morning to talk with you!!!! gla

Called Fri. Feb. 8 at 9:00 a.m. Wanted to be sure that government had information and that Deconsey Mt. Mining did not need to furnish more information

Nesbett, lawyer from Anchorage called on progress of application 2-11-52

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

FILE COPY
Surname
McKnight
Johnson
for Meyer
Rutledge

Airmail

February 6, 1952

Mr. Sinclair H. Lorain
Executive Officer, Field Team
Region I
Box 2990
Juneau, Alaska

Re: DMEA-2276
DeCoursey Mt. Mining Co.,Inc.
DeCoursey mine-lode and placer
Exploration loan $325,000
Quicksilver

Dear Mr. Lorain:

In a covering letter transmitting the subject docket, Mr. C. A. Sherman states that a copy of the docket was being sent to your office to expedite handling of the proposal. You, therefore, have all the information submitted by the applicant and we are not transmitting another copy. Enclosed is a copy of Miss Meyer's memo. The Geological Survey is awaiting some information from Mr. Joseph Hoare in San Francisco before preparing a memorandum on the geologic probability of worthwhile discoveries to be made by the proposed exploration.

On the basis of the work previously done at this property by the Bureau of Mines and Geological Survey, we suspect that a decision can be reached on this proposal without further field examination in midwinter. We would appreciate a review of the application with pertinent recommendations from the field team. Particularly needed is information on such items as

1. An appraisal of the proposed placer exploration, with a justification if this part of the proposal is recommended for approval. Information from the applicant is very meager.

2. Adequacy and availability of proposed manpower.

3. Adequacy of proposed equipment, supplies, power.

4. Capability and integrity of applicant. He proposes that an engineer to supervise project will be selected, subject to approval of DMA field team, and a satisfactory choice should be a prerequisite to approval of the application in view of the apparent lack of qualification of the various applicants.

5. Adequacy and reasonableness of cost items.

The enumerated items suggest some of the things on which we need information, but they are not preclusive, and any further pertinent information or recommendations you can make on this project will be welcome.

Very truly yours,

C. O. Mittendorf (hm) S.N. 2-8-52

ACTING Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure

APPROVED:

J. H. Hedges

Member, Bureau of Mines (hm)

Z. P. Thayer

Member, Geological Survey (hm)

E T McKnight:emp

Copies to: Adm. r file
Docket file
Messrs. ~~Moulds~~ Ellis
~~Bishop~~ Johnson or McMeyer
McKnight

Memorandum to Mr. Ellis February 5, 1952

DMEA-2276
De Coursey Mt. Mining Co. Mercury $325,000.00
Anchorage, Alaska

Since the above application was received in December and copies were forwarded to USGS and USBM on December 26, 1951, I gave Mr. McKnight's secretary a call this morning to check on the preparation of his report in order that the file could be assigned to an engineer. She said he was working on it. Miss Meyers' report (USBM) was received the middle of January.

Later Mr. McKnight phoned me and said he would come over today and discuss it with you. He said he was waiting information from the USGS man in California; but he has a letter from the Company, which we do not have, saying that a copy of the application was sent to Lorain. Mr. Rutledge had told him last week that Lorain was working on it, and Mr. McKnight thinks the docket should be assigned to an engineer to prepare a letter to Lorain asking for his analysis. He thinks he (Lorain) has information which you should have here.

Mr. McKnight said if he didn't catch you when he comes over today, he will see you some other time.

Mrs. Ault

If you want to familiarize yourself with the file before he comes over, I'll get it out for you.

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

Flu 1/14/52

January 11, 1952

Memorandum

To: E. W. Ellis, DMEA

From: Helena M. Meyer

Subject: DMEA Docket No. 2276, Decoursey Mt. Mining Co., Inc., Decoursey mine-lode and placer, exploration loan $325,000 (mercury)

In general the Decoursey application is ambitious in view of the supply-requirement situation in mercury, and, in addition, the large placer project is based on inadequate preliminary work.

The lode property appears to be a favorable prospect for Government help. Bureau of Mines BR 6522, April 1944, contained the following conclusion:

"Exploratory work conducted by the Bureau of Mines proved the Decoursey Mountain Mercury deposit to be of unquestionable importance. Through the employment of efficient mining methods and operational policies, the deposit can produce substantial quantities of mercury. Further stripping and trenching will doubtlessly uncover additional zones of enrichment that will prove to be of commercial interest."

Ore reserve tonnages (assured, indicated and inferred) given in tables on pages 18 and 19 (page 18 is missing from Bureau of Mines copy) of the attachments to the application, agree with those in Edw. J. Webber's report (Mt. Weather Tech. Files No. 49.18 (GS)). The tonnages shown on form MF-100 also agree with Webber's. The average mercury contents are at considerable variance, however, as indicated by the mercury content being given as the equivalent of 53,000 flasks on MF-100, compared with 19,910 reported by Webber.

Applicant appears to have allowed for no losses in recovering mercury and to have assumed an average value of $220 a flask in computing recoverable unit values per ton (MF-100). This is virtually an all-time peak price.

The following additional points require further consideration or explanation:

1. The feasibility of the proposed sampling procedure is questionable. Can the dragline take a representative sample?
2. Can tunnel, raise and drilling program be justified? It seems that such a long adit is a very questional exploration project.
3. Can workings be driven at estimated costs?
4. Note the inexperience of officers.
5. There are omissions and errors in estimating costs and time, for example (a) a diamond drill purchase is provided for but no operator (b) tunneling shows average advance of 55' (1700 + 300) for 36 weeks. On basis of 14 shifts this indicates 4'/shift, and of 12 shifts it is 4-1/2'/shift. We do not believe it can be done. (c) no management or top supervision charges are shown, (d) some production items appear to be included, (e) manual workers are to put in (or to be paid for) 80 + hours weekly on the job.
6. The placer application is based on only two trenches made across Discovery Creek. The proposal, however, is to do considerable trenching at relatively close spacing, in several creeks.

In view of the foregoing, we propose a field team investigation, and among other things that the field team consider:

1. Reduction in the loan based on current mercury supply-requirements situation.
2. Substantial reduction in placer proposal based on initial trenching at greater distances with review of findings before extension of program.
3. Consideration of a step-by-step approach to program.
4. Full description be made available of proposed placer sampling procedure. (see point 1)
5. Detailed checking of proposal. (see point 5 be done)

Helena M. Meyer

Helena M. Meyer

EXPLORATION

12-7-51

Subject: DMEA-2276
Re: Exploration Loan
De Courcy Mine

Mr. John L. Williams, President
De Coursey Mountain Mining Co., Inc.
Box 2232
Anchorage, Alaska

My dear Mr. Williams:

This will acknowledge receipt of your application dated November 28, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2276 and referred to the Rare & Miscellaneous Metals Branch.

Kindly refer to DMEA-2276 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

DECOURSEY MT. MINING CO., INC.
P. O. BOX 2232
ANCHORAGE, ALASKA

December 1, 1951

DMEA-2276

Defense Minerals Administration
Department of Interior
Washington 25, D. C.

RE: DeCoursey Mountain Mine Exploration

Gentlemen:

We are herewith enclosing four copies completely executed of Form MF-100, MF-103, MF-200, and MF-202 as per instructions. In addition we are attaching a Mine Brochure, giving complete lump sum estimates, breakdown thereof, tables and other information available on the property in which we are seeking an Exploration Loan as prescribed in Mineral Order #5.

Our representative checked the title on all the claims in question as to original staking notices and the filing of annual assessment affidavits. We find them all in order. We don't, however, have in these applications the page and book number of the claims which we have purchased and leased from the former owner, Mr. Lyman, because the records of the Otter Mining and Recording District, which for many years were kept at Flat, Alaska, have been moved to McGrath and at the moment are not available. However, we attach in the Brochure a photostatic copy of the Deed on the Lode claims from the original staker to Mr. Lyman.

As soon as the new Commissioner at McGrath gets his records in order, we will send you the book and page number of all claims herein enumerated, both Placer and Lode.

In order to expedite matters we are sending one copy of all the data contained herein to the Office of U. S. Bureau of Mines at Juneau, Alaska so that your Field Team will also be informed immediately of this application.

To accomplish the Exploration work outlined in our application, time is the essence, because of conditions necessitating the movement of all equipment and supplies during the winter months over tractor trails to the property. Therefore, we would greatly appreciate your prompt consideration and approval of this application, as preliminary work should begin in January 1952.

The property has been very carefully checked, and from float and other indications, we believe this Exploration Project will make a discovery of new ore reserves to more than justify the cost of Exploration work.

Very truly yours,

DECOURSEY MT. MINING CO., INC.

C. A. Sherman

C. A. Sherman, Director

CAS:ef

DECOURSEY MT. MINING CO., INC.
P. O. BOX 2232
ANCHORAGE, ALASKA

November 27, 1951

TO WHOM IT MAY CONCERN:

This is to certify that for all legal purposes the DeCoursey Mountain Mining Company, Inc. has available, on not to exceed fifteen (15) days notice and United States Government approval of the Defense Minerals Dept. Loan, cash assets committed in excess of $10,000.00 for the immediate commencement of exploration and production work according to the terms as outlined in the provisions of the above mentioned loan.

John L. Williams

JOHN L. WILLIAMS, PRESIDENT
DECOURSEY MT. MINING CO., INC.

ALASKA STEAMSHIP COMPANY

THE ALASKA LINE

November 20, 1951
Anchorage, Alaska

Decoursey Moutain Mining Co.
Box 2232
Anchorage, Alaska

Gentlemen:

As requested we list below freight rates Seattle to Bethel, Alaska:

	Per Hund.lbs.	Per Cubic Ft.
Mining Machinery	$ 1.65	$ .82½
Groceries	1.70	.85
General Merchandise	1.80	.90

Whichever rate creates the greater revenue will apply in any case.

Very truly yours,

T. Maloney

Agent

FS

Conway Mt. Mary Co.

3617
8.30

Questions:

Location of placer claims located from Mr. Lyman

Location and number of placer claims located by Sherman.

Exploration of placer by shallow drill angles.

Rule out new adit on 600 elevation. Results of work by Lyman would tend to indicate mineralization is becoming weaker with depth.

Proposal submitted by Hoare of diamond drilling would be worthless for underground exploration from 820 elevation adit

Location of lode cinnabar deposits as shown by Sherman on Sheet C is apparently in error. Do not believe any lode in area shown. (J.G.R.)

My lode at mine adj. to Return Creek as shown by USGS "Figure 3. Sherman's lode would be in basalt flows. His Discovery Creek on Sheet C is one mile downstream from Return Creek while Discovery Creek is actually a tributary of Return Creek as shown on another of his maps and also U.S.G.S.

Applicant had extension of airfield as part of program. This should be checked as map indicates it would be impracticable! See Figure 3 of report by Cady & Webber of U.S.G.S.

Sherman's measured reserves of 770 tons agree with Webber, U.S.G.S. but Webber shows 40.46 lbs. a ton instead of Sherman's 69. See note Webber also a total indicated inferred as follows:

	25# cut off		10# cut off		Sherman's	
Indicated	2,750	34.0	8,560	19.5		
Inferred	26,100	30.1	91,900	14.3		
Total	28,850	31.6	100,460	15.1	100,460	40.0
	11,990 flasks		19,910 flasks.		52,874 flasks.	

Bureau of Mines 6,093 flasks (14,570 tons) does not include inferred ore body containing 4,600 flasks which has believed to be beneath inferred ore of 2 of vein and Retort vein and also beneath remaining interval where no one has been entered. 14,000 tons (U.S.G.S.)

Sherman gross values per ton are based on 100 percent recovery and a market price of $220.00 per flask. Red Devil recovered an average of 75-80% of mercury. Deerwater's recovery operations were much closer. Used no lime and tailings were dry.

Red Devil costs were mining $10.377; smelting 11.900; misc. 12,513 total $34,290 per ton.

Deerwater costs were: Mining 45.73; smelting $55.50 total $101.23 per ton. Based on modified recovery and treatment only of high grade

Note Sherman's 69 #/ton has been taken from an arithmetical mean of samples from Summit Ore Body

Proximate revenue per ton
75% extraction 80% extraction

Bureau of Mines

14,570 tons containing 6,093 flasks or
0.418 flasks/ton 31.78 #/ton

.75 x 0.418 x 210 = $65.84 per ton
.80 x 0.418 x 210 = $70.22

U.S.B.S. 25# cut off.

28,850 tons containing 11,990 flasks or
0.416 flasks/ton 31.59 #/ton.

.0.75 x 0.416 x 210 = $65.52 per ton
0.80 x 0.416 x 210 = $69.89

U.S.B.S. 10# cut off

100,460 tons containing 19,910 flasks.
0.198 flasks/ton 15.1

0.75 x 0.198 x 210 = $31.18 per ton
0.80 x 0.198 x 210 = $33.26

Owner estimate cost of treatment $61.50 per ton.
Ore reserves on above basis do not look too promising for profitable production.

The 19,000 tons @ 25#/ton inferred by U.S.G.S. & the Bureau of Mines calculated areas would be as follows:
0.75 x 0.329 x 210 = $ 51.82
0.80 x 0.329 x 210 = $ 55.27

In placer operation, it is probable that only Driftway Creek and the upper part of Return Creek may carry pay. Location of dam on Sheet C would be over a mile and a half below lode deposits. For gravity flow of water dam should be upstream of deposits. However since only prospect drilling may be approved dam is unnecessary.

Size of Prospect drill owned by Company? and amount of drive pipe? Condition?

U.S.G.S. report "Quicksilver Deposits in the Decomy Mountain Area, Iditarod District, Southwestern Alaska" by Edward J. Webber has computed ore reserves on average width of ore bodies.

U.S.B.M. report "Decomy Mountain Mercury Deposit, Iditarod District, Alaska" by Stuart C. Bjorklund has computed ore reserves on minimum mineable width of 3 feet.

A comparison of reserves follows:

Summit Ore Body

Bureau of Mines			Geological Survey			
			25 # cutoff		10 # cutoff	
Measured			770	2050 2.05	2050	2.05
Indicated	2,035	3.29	1280			
Inferred	2,000	3.43	4500	2.5	4500	2.5

A-vein ore body

Measured.						
Indicated	1,105	0.77	310	1.23	540	0.85
Inferred	1,100	0.77	1400	1.22	2600	0.85

Upper Vein System

Indicated	1,550	0.88	200	1.33	610	0.93
Inferred	2,300	0.87	1800	1.37	6100	0.93

Retort ore body

Indicated	1445	0.92	470	1.37	2,500	0.55
Inferred	1500	0.91	2000	1,35	10,600	0.55

Discovery ore body

Indicated	835	1.17	490	1.47	3,630	0.91
Inferred.	800	1.17	2400	1,46	16,100	0.91

Total

Indicated	6,970	1.61	3,520	1.77	9,330	1.06
Inferred	7,600	1.57	12,100	1.80	39,900	1.00

additional reserve U.S.G.S.

	25# cut off		10# cut off	
	feet	percent	feet	percent
Defendant	14,000	1.25	52,000	0.50
	4,605 flsh.		6,842 flsh.	

see note on Table 1 of report by Hoover.
on page 18 of Alvarez's docket.

Ore Body	Indicated Reserve			Inferred Reserve		
	Tons	%	Tons x %	Tons	%	Tons x %
Tunnel	2,035	3.29	6,702.40	2000	3.43	6,860
"A" Vein	1,105	0.77	854.86	1000	0.77	770
Upper Vein	1,550	0.88	1,359.00	2300	0.87	2,001
Retint	1,445	0.92	1,327.85	1500	0.91	1,365
Deeming	835	1.17	978.05	800	1.17	936
	6,970	1.61	11,222.16	7,600	1.57	11,932
	total	14,570	23,154.16		1.59%	

6,093 flasks

11.1
25.00
555.00
222
6.5
76)2775.00
228
495
456
390

36.5
36

Cost of churn drilling

Zenda Gold Mining Co.
Seward Peninsula
3,000 ft drilling - $60,000
total cost charged to drilling $20.00/ft.

Porter Bros. - Idaho
$6.00 to $6.50 drilling only

→ Idaho 6" hole.
$9.00 a foot contracted
$11.00 a foot including all costs

ft	percent	#/ton	#/ton ft
1.3	31.4	620.8	807.04
5.0	0.02	0.4	2.00
0.8	17.04	340.8	272.64
4.5	0.09	1.8	8.10
5.0	0.12	2.4	12.00
1.3	30.76	615.2	799.76
5.0	0.10	2.0	10.00
5.0	0.09	1.8	9.00
1.0	0.11	2.2	2.20
5.0	0.02	0.4	2.00
1.2	2.68	53.6	64.32
5.0	0.05	1.0	5.00
5.0	0.06	1.2	6.00
0.8	0.06	1.2	0.96
5.0	0.04	0.8	4.00
5.0	0.03	0.6	3.00
5.0	0.04	0.8	4.00
5.0	0.06	1.2	6.00
1.3	0.02	0.4	0.52
5.0	0.06	1.2	6.00
4.0	0.05	1.0	4.00
0.8	0.06	1.2	0.96
5.0	0.06	1.2	6.00
5.0	0.04	0.8	4.00
5.0	0.11	2.2	11.00
3.5	0.64	12.8	44.80
1.5	0.09	1.8	2.70
0.5	6.80	136.0	68.00
5.0	0.21	4.2	21.00

Tunnel on body
averaging of assays by Clerk Hermann's

4.5	0.01	0.2	0.90
2.4	0.49	9.8	23.52
5.0	0.01	0.2	1.00
5.0	0.01	0.2	1.00
1.3	1.03	20.6	26.78
0.5	3.08	61.6	30.80
5.0	0.10	2.0	10.00
5.0	0.07	1.4	7.00
0.9	18.72	374.4	336.96
5.0	0.51	10.2	51.00
5.0	0.05	1.0	5.00
3.0	1.77	35.4	106.20
4.5	0.03	0.6	2.70
5.5	0.06	1.2	6.60
1.0	7.80	156.0	156.00
1.3	4.48	89.6	116.48
5.5	0.05	1.0	5.50
5.5	0.24	4.8	26.40
1.0	12.32	246.4	246.40
1.1	3.95	79.0	86.90
5.5	0.23	4.6	25.30
4.0	0.23	4.6	18.40
1.2	2.95	59.0	70.80
3.3	0.01	0.2	0.66
5.0	0.08	1.6	8.00
3.2	0.02	0.4	1.28
7.5	0.05	1.0	7.50
0.8	5.04	100.8	80.64
1.7	0.47	9.4	15.98

1.5	1.78	35.6	53.40	
1.8	3.39	67.8	122.04	
1.0	8.46	169.2	169.20	
5.0	Tr	—	—	
5.0	0.03	0.6	3.00	
5.0	0.03	0.6	3.00	
5.0	0.02	0.4	2.00	
5.0	0.02	0.4	2.00	
5.0	0.02	0.4	2.00	
5.0	0.02	0.4	2.00	
5.0	0.02	0.4	2.00	
5.0	0.02	0.4	2.00	
0.6	32.68	653.6	392.16	
0.5	20.6	412.0	206.00	
1.2	11.8	236.0	283.20	
1.2	0.28	5.6	6.72	
1.4	0.05	1.0	1.40	
2.2	0.03	0.6	1.32	
2.2	5.45	109.0	239.80	
2.5	7.18	143.6	359.00	
2.3	0.28	5.6	12.88	
2.1	8.04	160.8	337.68	
3.0	0.34	6.8	20.40	
0.3	30.28	605.6	181.68	
271.5		5704.6	6067.58	22.35 #/ton
				69.57 in
				arithmetical average.

Lode ~~Potential~~ Claims Owned by applicant

Last Chance No. 1
Last Chance No. 2
Last Chance No. 3
Snow Bird No. 1 Snow Bird No. 2
Snow Bird No. 4 Snow Bird No. 3
Snow Bird No. 5

Placer Claims Owned by applicant. Subordinate against attitude

Dressing
Helen
One Mile Dressing
William
Retort
Bedrock
Outcrop
Dome

DOCKET
Surname:
Chapman
Martin
Meyer
Nelson
Chambers

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA 2742 - Mercury
DeCoursey Mountain Mining Co., Inc.
DeCoursey Mountain Mine
4th Judicial Div., Alaska
Contract No. Idm-E540

Dear Mr. Lorain:

Enclosed are the original and five copies of a proposed Amendment No. 2 to the above-referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for use of the Field Team.

If the terms and conditions of this proposed amendment are satisfactory to you and the Operator, all six copies should be signed by the Operator and the usual distribution made.

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

Sincerely yours,

Chairman, Operating Committee

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

cc: Docket
Code 400
Adm. Read. File
Oper. Comm.
Helena Meyer, USBM
Thor Kiilsgaard, USGS
FT, Reg. I-Juneau

TLChapman/ls
11/29/55

Government's Copy

EXPLORATION PROJECT CONTRACT
DeCOURSEY MOUNTAIN MINING COMPANY, INC.
DOCKET NO. DMEA-2742

Amendment No. 2

It is agreed this 8th day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and DeCoursey Mountain Mining Company, Inc., that Exploration Project Contract No. Idm-E540 (Docket No. DMEA-2742), dated June 2, 1953, as amended, is further amended as follows:

1. The period for completion of the work under the Contract, extended to "18 months" by Amendment No. 1, is further extended to December 2, 1956.

2. Work under the Contract shall be suspended during the period beginning October 31, 1954, and ending not later than July 1, 1956.

3. The Government shall not contribute to any costs incurred by the Operator during the period of suspension, or to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

4. The maximum period for royalty payments and lien to secure the payment thereof is extended to thirteen (13) years from the date of the Contract.

5. In Article 10 of the Contract, all of the second sentence beginning with the word "Provided" is deleted.

6. Article 9 and Annex III of the Contract are deleted, and in lieu thereof, are replaced by Annex IV, attached hereto.

7. The Operator on or before May 1, 1956, shall:

(a) furnish a detailed report of the work performed in Stage I; and,

(b) submit for written approval of the Government specific proposals of work to be performed in Stage II.

8. It is of the essence of this Contract that the work be resumed before the termination of the period fixed for suspension, and be completed before the termination of the period here fixed for completion of the work; and if the work is not so resumed and completed in the

manner required by the Contract as amended, the following provisions shall become effective:

(a) The Contract and all obligations of the parties hereunder, except as otherwise herein expressly provided, shall be and are hereby terminated, as follows:

(i) Effective October 31, 1954, if the work has not been resumed on or before July 1, 1956

(ii) Effective December 2, 1956, if the work is resumed on or before July 1, 1956, but is not completed on or before December 2, 1956.

(b) The Government shall contribute to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (1) the preservation and disposal of property to the cost of which the Government has contributed, and (2) the rendering of the final report and final account.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (1) the disposal of any facilities, buildings, equipment or other items to the cost of which the Government has contributed; and (2) the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided for in this Amendment No. 2.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DeCOURSEY MOUNTAIN MINING CO., INC.

By _____

Title _____

By C O Mittenbergs

Administrator, Defense Minerals Exploration Administration

ANNEX IV

The following provisions are in lieu of Article 9 x and Annex III of the Contract:

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land*, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years‡ from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

* The word "land" refers to the land described in Article 2 of the Contract.

‡ The period "thirteen years" is substituted for the period "ten years."

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

Government's Copy

MF-203
Revised March 24, 1955

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator DeCoursey Mountain Mining ~~Company, Inc.~~
Docket No. DMEA- 2742
Contract No. Idm-E 540
Contract Date June 2, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the ~~County~~ Territory of Alaska, Otter Mining and ~~State of~~ Recording District, consisting of eight lode mining claims the notices of location of which are recorded in the Commissioner's Office at McGrath, Alaska, described as follows:1/

Snow Bird Nos. 1-3 recorded 5/27/29, Vol.2/9,pp 266,287,287 respectively; amended locations Nos. 2-3 recorded 10/21/43, Vol. 4, pp 412-414
Snow Bird Nos. 4-5 recorded 5/22/36, Vol 4-12, p.211, 211 respectively

Last Chance Nos. 1-3 for which amended location notices were recorded 10/21/43, Vol. 4, pp 412-414

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/

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

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: _____

_____

_____

_____

_____

_____

_____

_____

Dated this _____ day of _____, 195__.

DeCOURSEY MOUNTAIN MINING COMPANY, INC. [Seal]

By _____ [Seal]

Title _____ [Seal]

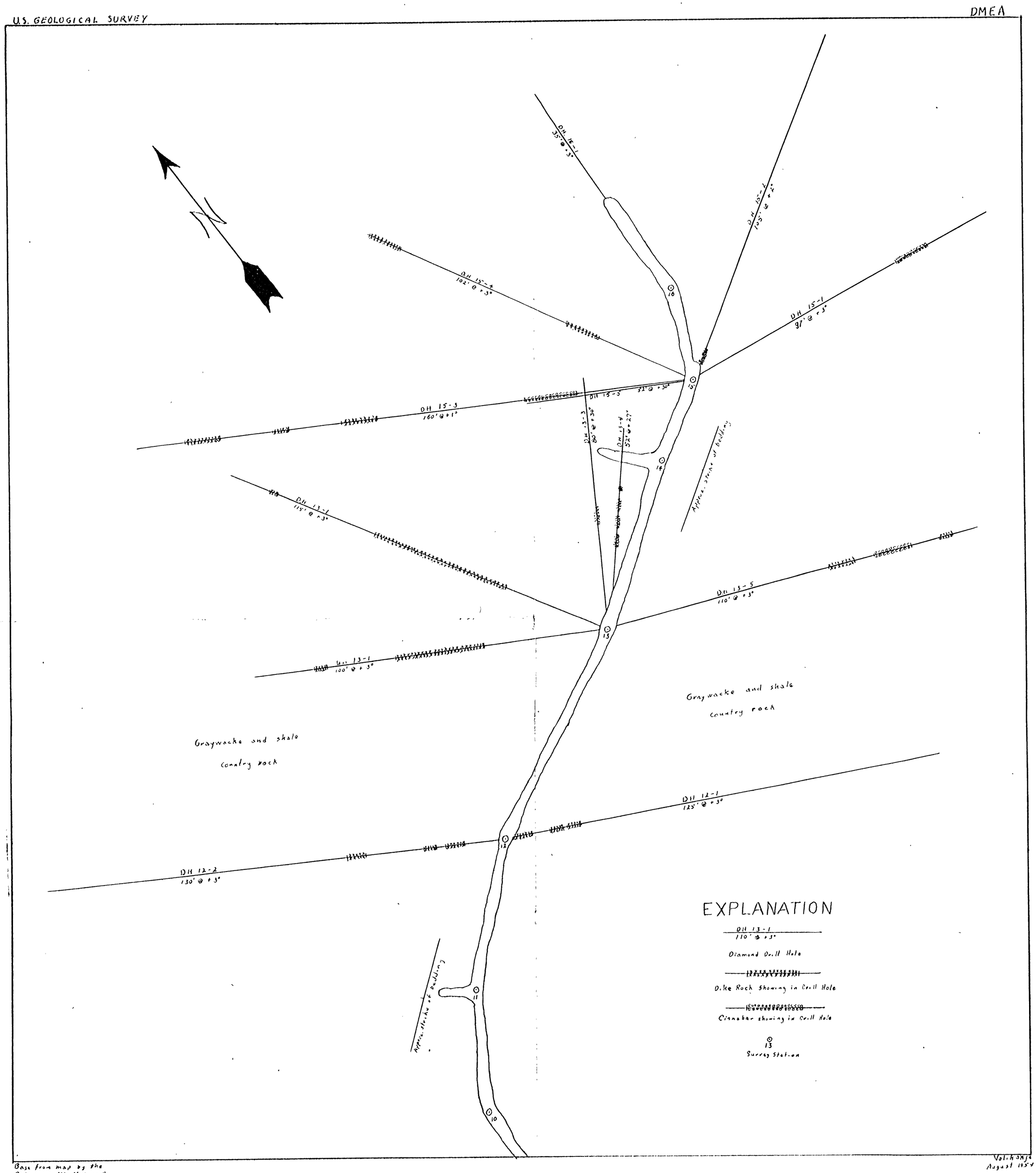
I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its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

_____

[Corporate Seal]

U.S. GEOLOGICAL SURVEY

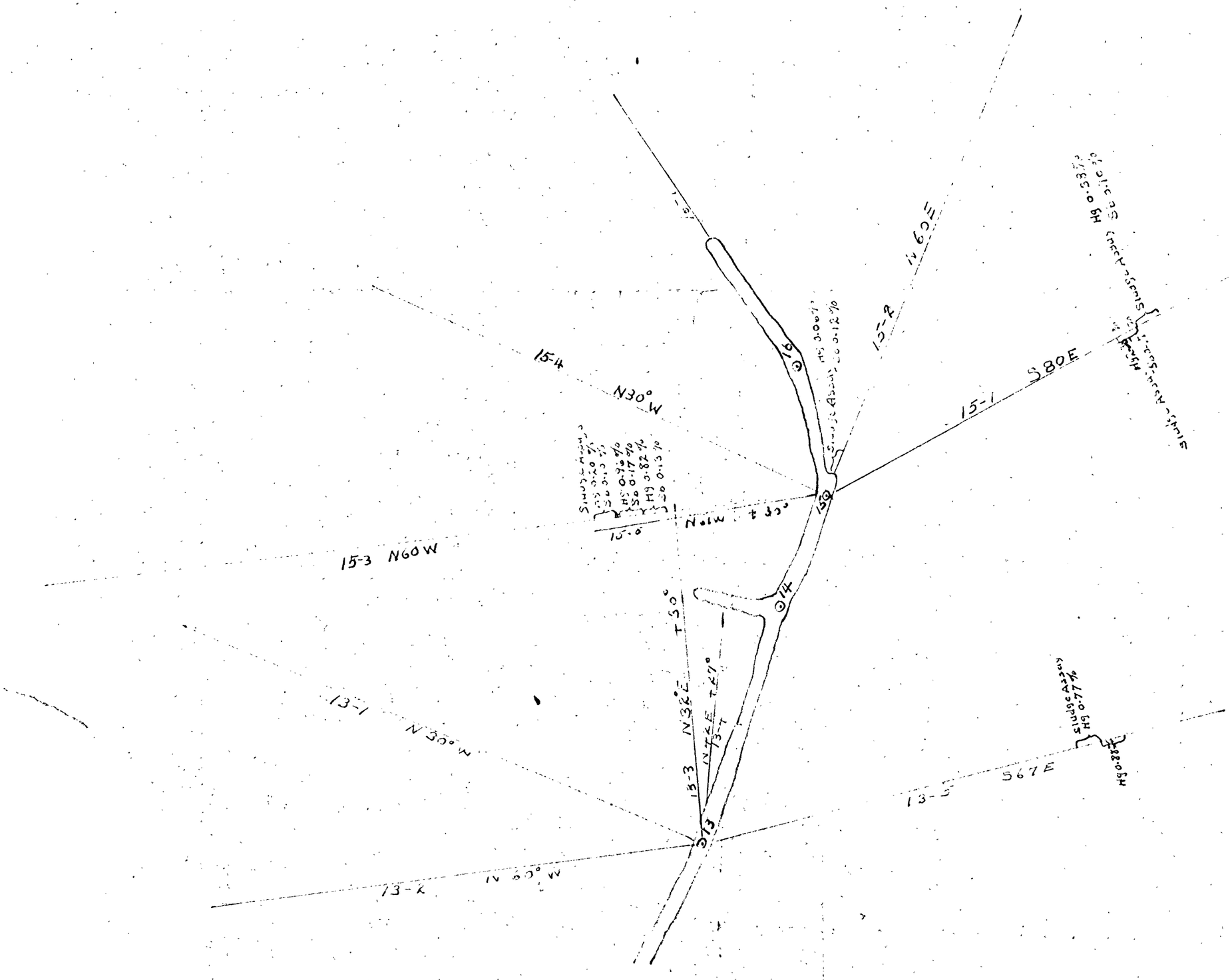
DMEA



Base from map by the DeCoursey Mt Mining Co

Volk 3/3/5
August 1954

PLAN OF PART OF LYMAN ADIT, DECOURSEY MT. MINE SHOWING LOCATION OF COMPLETED DRILL HOLES



De Coursey Mt. Mine

Total Footage of Hole 1,008

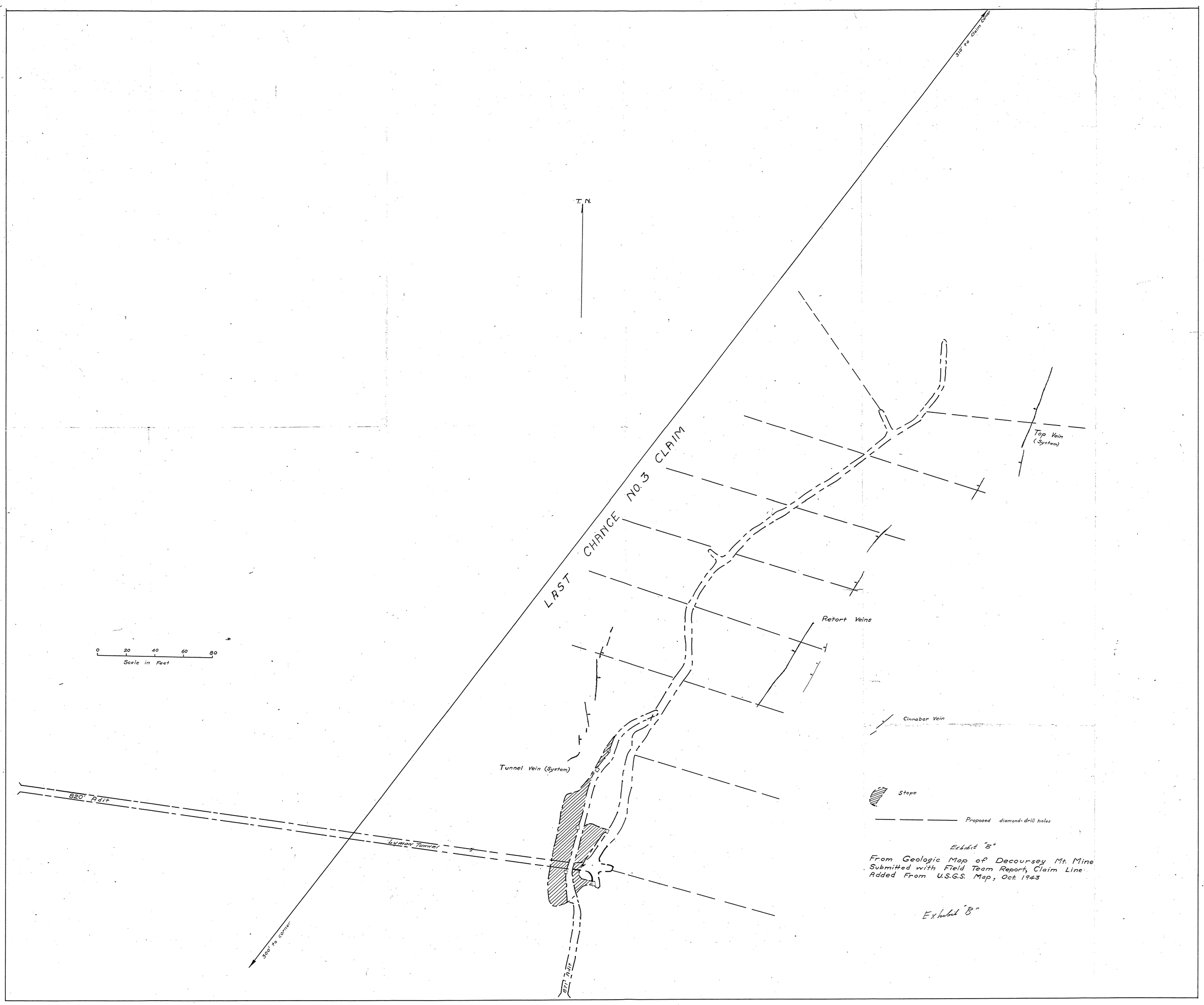
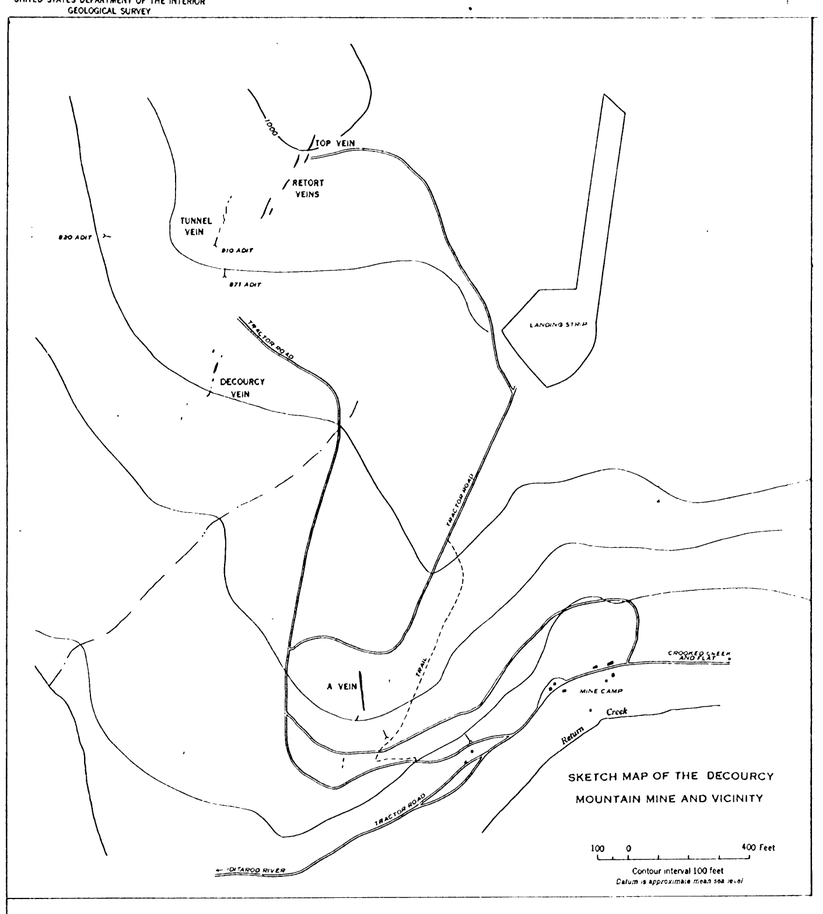


Exhibit "B"

From Geologic Map of Decoursey Mt. Mine
Submitted with Field Team Report, Claim Line
Added From U.S.G.S. Map, Oct. 1943

Exhibit "B"



SKETCH MAP OF THE DECOURCY MOUNTAIN MINE AND VICINITY

SURFACE AND UNDERGROUND GEOLOGIC MAP OF THE DECOURCY MOUNTAIN MINE, DECOURCY MOUNTAIN AREA, CENTRAL KUSKOKWIM REGION, ALASKA

20 0 160 Feet
Contour interval 20 feet
Datum is approximate mean sea level

TRUE NORTH
MAGNETIC NORTH
APPROXIMATE MEAN DECLINATION 1950

TOP VEIN
RETORT VEINS
TUNNEL VEIN
DECOURCY VEIN
820 ADIT
910 ADIT
871 ADIT
TRACTOR ROAD

EXPLANATION

TERTIARY

Pliocene (?) or Miocene (?)

ORE MINERALS

Cinnabar
Vein showing dip, includes tabular to soc a zones filled with cinnabar

Eocene (?)

ALTERED IGNEOUS ROCK

Tbd

Basalt and diabase
Sill like bodies almost completely altered to silica-carbona e rock

CRETACEOUS

Lower (?) and Upper Cretaceous

SEDIMENTARY ROCK

Kk

Kuskokwim group
Interbedded shale and graywacke partly altered to silica-carbona e rock

There are no surface exposures of bedrock except those in trenches and cuts

Contact, showing dip
Dashed where approxima ely located

Fracture, showing dip
Dashed where approximately located

Strike and dip of beds

Strike and dip of cleavage

820 level

871 level

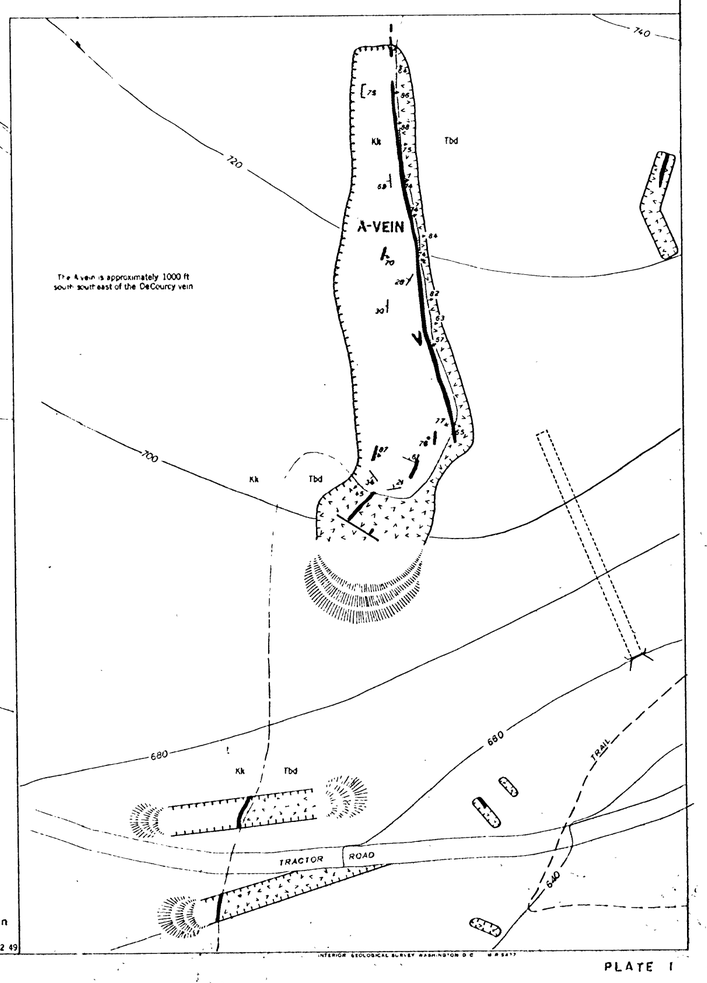
Caved adit

Stope

Chute

Bulldozer cut and dump

Hand dig trench



Base for underground surveys adapted from maps furnished by Robert Lyman of the DeCourcy Mountain Mining Company

Underground working surveyed by Brunton and tape
Geology and topography by E. J. Webber and J. M. Hoare, 1942-49

U.S DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

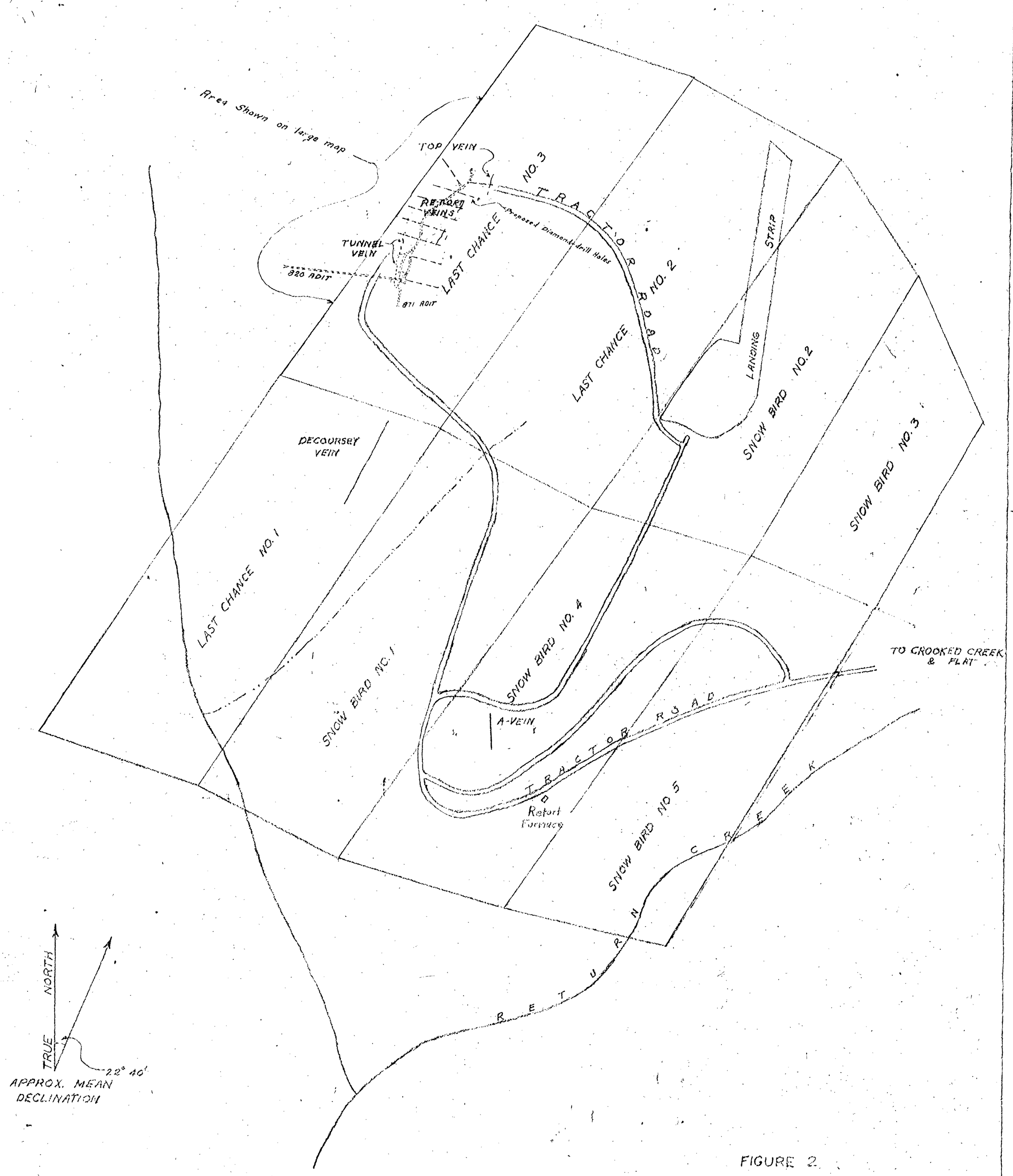


FIGURE 2.

MAP SHOWING LODE MINING CLAIMS
DECOURSEY MOUNTAIN AREA
QUICKSILVER DEPOSITS
IDITAROD DISTRICT, SOUTHWESTERN ALASKA

E.J. WEBBER & J.M. HOARE
OCT. 1943

Modified by R.L.T. March, 1953

98775

TOP VEIN OUTCROP AREA V-W-X-Y
PROJECTED TO HORIZ. PLANE
AREA APPROX. SAME AS THAT SAMPLED
BY S.C. BJORKLUND, U.S. BUREAU OF MINES
D.D. Hole No 15-1
North
D.D. Hole No 15-2
N 60° E
D.D. Hole No 15-3
N 60° W
D.D. Hole No 15-4
S 80° E
st. C
st. B
st. A
RETORT VEIN OUTCROP LINE R-S
PROJECTED TO HORIZ. PLANE
TUNNEL VEIN OUTCROP LINE M-P-Q
PROJECTED TO HORIZONTAL PLANE
TRUE NORTH
Approx. N 2°-45'
SCALE: 1" = 20'
DECOURSEY MT. MINING CO., INC.
DECOURSEY MINE
IDITAROD DISTRICT, SOUTHWESTERN ALASKA
1953
R.M.S.

DECOURSEY MOUNTAIN MINING CO.
DECOURSEY MOUNTAIN MINE
IDITAROD DISTRICT, ALASKA

DIAMOND DRILL HOLES, LYMAN ADIT

SCALE 1" = 40'

LEGEND

13-3 80' +30° — Diamond drill hole – length & inclination

Drill hole in graywacke-shale country rock

Drill hole in altered dike or graywacke-shale

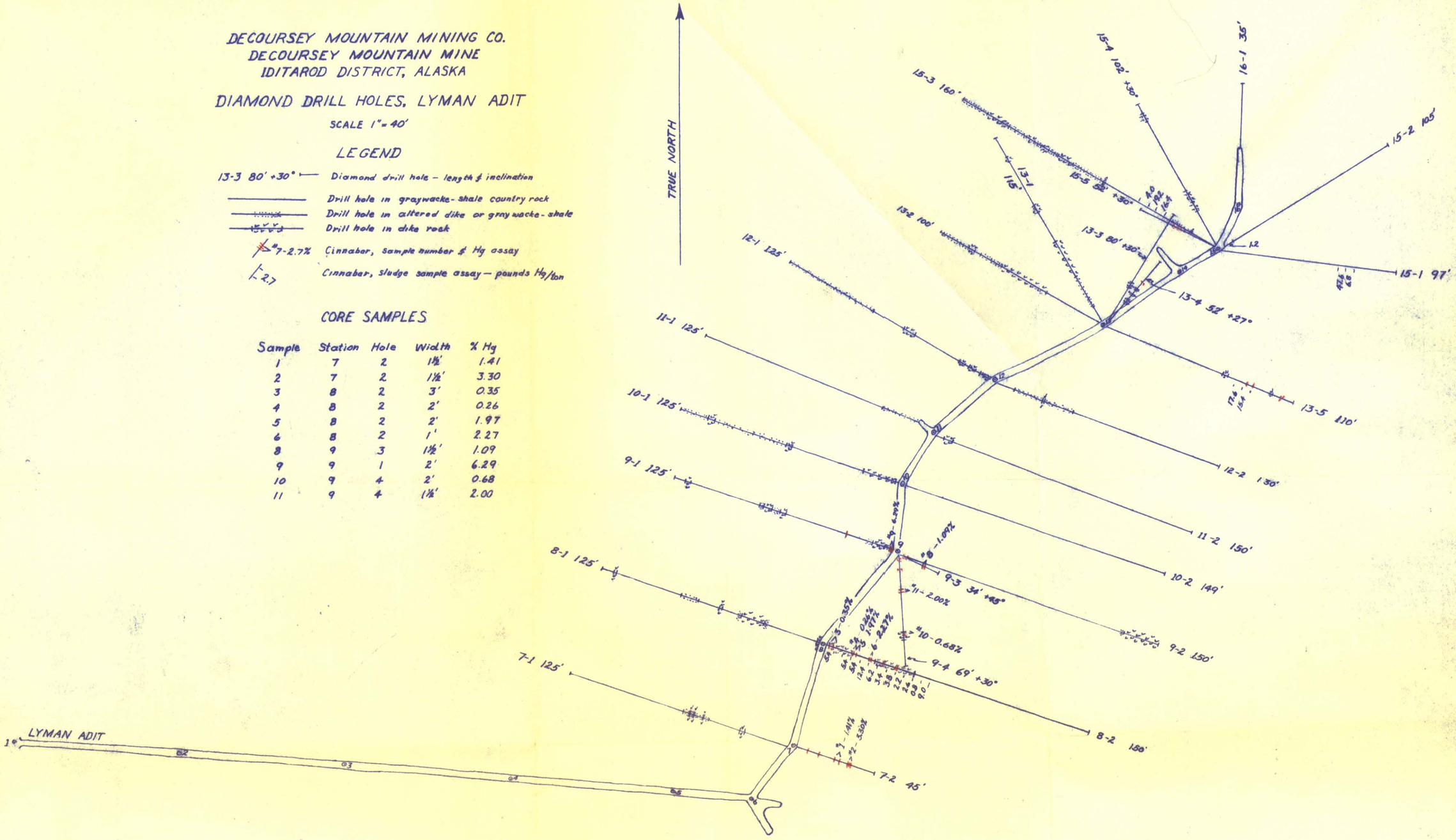
Drill hole in dike rock

#7-2.7% Cinnabar, sample number & Hg assay

2.7 Cinnabar, sludge sample assay – pounds Hg/ton

CORE SAMPLES

Sample	Station	Hole	Width	% Hg
1	7	2	1½'	1.41
2	7	2	1½'	3.30
3	8	2	3'	0.35
4	8	2	2'	0.26
5	8	2	2'	1.97
6	8	2	1'	2.27
8	9	3	1½'	1.09
9	9	1	2'	6.29
10	9	4	2'	0.68
11	9	4	1½'	2.00



Total D.D. hole footage 2635'

RECEIVED
BUREAU OF MINES
AUG 8 - 1958
SPOKANE, WASH.

Compiled by Gordon Harreld July 1958

DECOURSEY MOUNTAIN MINING CO.
DECOURSEY MOUNTAIN MINE
IDITAROD DISTRICT, ALASKA

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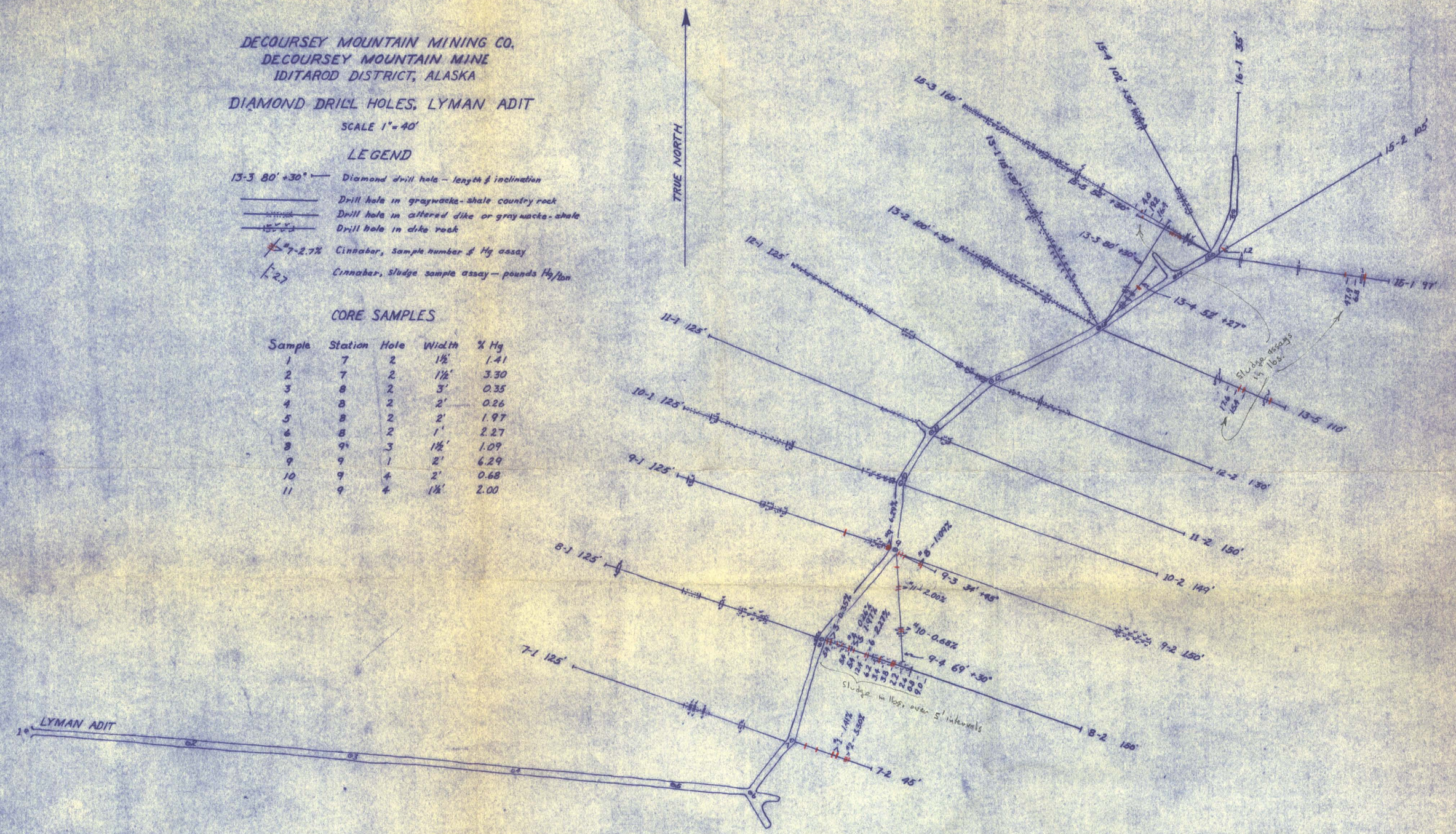

Compiled by Gordon Harrald July 1958
Revised January 1959