MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6724

Application
- [ ] Denied
- [x] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

**Left Side**

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

**Right Side**

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

**Left Side**

Folders No. _____: Reports

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

**Right Side**

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

May 15, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 17 1968
INITIALS | CODE

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: New Application (Gold)
Bayless and Whitehead
Chisna and Bonnie Groups of Claims
Mount Hayes (A2) Quadrangle, Alaska

Enclosed is an Application for Financial Assistance, received in the Field Office on May 13, 1968, from John Howard Bayless and Fred Whitehead of Copper Center, Alaska 99573.

The proposed project consists of churn drilling of placer deposits on the Chisna River. Although there has been placer mining reported both upstream and downstream from the applicant's claims there has been no mining on the claims and it is not known if a paystreak of placer gold exists on the property. For this reason the first stage of the proposed drilling is more prospecting in nature than exploration. Paystreak is inferred a target

Several geologists of the Alaska Branch are familiar with the area and if a field examination is requested I will ask one of them to visit the property and prepare a report.

H. K. Stager

H. K. Stager

Enclosure

May 8, 1968

Mr. Harold K. Stager
U. S. Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California 94025

Dear Mr. Stager:

We are transmitting herewith our application for financial assistance in mineral exploration in an amount of $15,000.00. Together with our share of $5,000.00 the total project is $20,000.00.

Per instructions contained on reverse of MME Form 40 we are also enclosing copies of our letters to banking institutions and their replies thereto. Also we are enclosing maps and other detailed information as required to process our application.

We would appreciate your immediate attention in reviewing and giving a decision at the earliest possible date.

Sincerely yours,

John Howard Bayless

John Howard Bayless
Partner

RECEIVED
MAY 13 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 17 1968
INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

# APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

John Howard Bayless and Fred Whitehead

Copper Center, Alaska 99573

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6724

DATE RECEIVED: MAY 13, 1968

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

| | |
|---|---|
| INDIVIDUAL | |
| CORPORATION | |
| PARTNERSHIP | XX |
| OTHER *(Specify)* | |

STATE IN WHICH FIRM IS ORGANIZED: Alaska

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

| NAME | ADDRESS | TITLE |
|---|---|---|
| John Howard Bayless | Copper Center, Alaska | Partner |
| Fred Whitehead | Copper Center, Alaska | Partner |

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

ESTIMATED COST OF PROJECT: $ $20,000.00

| PROPERTY NAME | LOCATION COUNTY | STATE |
|---|---|---|
| 15 Claims | | |
| Mount Hayes(A2) Quadrangle | | Alaska |

## GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

## CERTIFICATION

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

May 9, 1968
DATED

John Howard Bayless
JOHN HOWARD BAYLESS
BY *(Signature)*

PARTNER
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

# INFORMATION REQUIRED WITH THIS APPLICATION

## 1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so. complied with

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest. None

(c) State how you propose to furnish your share of the cost of the exploration work. — personal labor + cash

## 2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded. complied with

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal. none at present

## 3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities. none

(b) State your interest, if any, in operations described in (a). owner

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

## 4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

## 5. Exploration Work:

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

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

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

## 6. Experience:

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

## 7. Estimate of Costs:

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

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

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

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

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

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work. none

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision. Trailer ~~[illegible]~~ Rented - 20.00

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

April 30, 1968

First National Bank of Fairbanks
Second Avenue & Cushman
Fairbanks, Alaska 99701

Dear Sir:

We would like to borrow $15,000.00. As security for this loan we would give you a lien on our claims. Repayment would be by payment of 5 per cent of gross proceeds of production until principle and interest was fully repaid.

This money is for the initial exploration work on 15 gold placer claims that we own. We hope to make a good gold dredging operation out of this property. We would appreciate an early reply to this loan application.

Thank you.

Sincerely yours,

John Howard Bayless

Fred Whitehead

April 30, 1968

Alaska National Bank
Northward Building
Fairbanks, Alaska 99701

Dear Sir:

We would like to borrow $15,000.00. As security for this loan we would give you a lien on our claims. Repayment would be by payment of 5 per cent of gross proceeds of production until principle and interest was fully repaid.

This money is for the initial exploration work on 15 gold placer claims that we own. We hope to make a good gold dredging operation out of this property. We would appreciate an early reply to this loan application.

Thank you.

Sincerely yours,

John Howard Bayless

Fred W Whitehead

# FIRST NATIONAL BANK
OF FAIRBANKS

FAIRBANKS, ALASKA
April 30, 1968

Messers. John Howard Bayless
and Fred W. Whitehead
Copper Center, Alaska

Gentlemen:

We wish to thank you for your loan application of April 30, 1968 which you request a $15,000.00 loan for exploration work on your Gold Plaster Mines. We are sorry to inform you that this type of loan does not fit into our loan portfolio as a repayment schedule is too indefinite and difficult to ascertain.

We wish to thank you for giving us your consideration.

Sincerely,

R. W. Groff
Loan Department

RG:rs
cc

ALASKA NATIONAL BANK
of Fairbanks

NORTHWARD·BUILDING "The Friendly Bank" FAIRBANKS, ALASKA - 99701

April 30, 1968

Messrs. John Howard Bayless
and Fred W. Whitehead
Copper Center, Alaska

Gentlemen:

Please be advised that we have reviewed your recent application for a loan in the amount of $15,000.00. Your application for this sum was in connection with certain exploration work on gold placer mines owned by you.

We regret that we will be unable to accomodate you in this request, inasmuch as there is no certainty that funds to repay the loan would be forthcoming. Our experience with loans of this nature indicates that such loans are not compatible with existing bank policies.

Very truly yours,

WILLIAM M. CARTWRIGHT
Executive Vice President

WMC/mh

FEDERAL DEPOSIT INSURANCE CORPORATION MEMBER

PLEASE SEND ALL CORRESPONDENCE TO ALASKA VIA AIR MAIL

COLLEGE OF EARTH SCIENCES AND
MINERAL INDUSTRY

MINERAL INDUSTRY RESEARCH
LABORATORY

UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99735

May 1, 1968

TO WHOM IT MAY CONCERN:

I have known John Howard Bayless and Fred Whitehead over 20 years. I am sure they would undertake no mineral exploration project that did not have much merit. I can recommend them as experienced, able and well known prospectors and miners.

Earl H. Beistline
Dean, College of Earth Sciences
and Mineral Industry

1. FINANCIAL ELIGIBILITY:

(A) See copies of letters written to the First National Bank of Fairbanks and the Alaska National Bank of Fairbanks and the replies thereto.

(B) None.

(C) By personal labor or payment for same.

2. APPLICANT'S RIGHTS IN LAND:

(A) We are the outright owners of 15 gold placer claims by location and are all free of all liens and mortgages.

(B) This is a legal description of the gold placer claims located by Howard Bayless and Fred Whitehead on August 14 and 15, 1967. These claims are on the central part of the Chisna River, a branch of the Chistochina River, which flows into the Copper River. This property is in the Mount Hayes (A2) Quadrangle, Alaska. Claims are as follows:

| | BOOK | PAGE |
|---|---|---|
| Chisna No. 1 | Lode #4 | 171 |
| Chisna No. 2 | Lode #4 | 172 |
| Chisna No. 3 | Lode #4 | 173 |
| Chisna No. 4 | Lode #4 | 174 |
| Chisna No. 5 | Lode #4 | 175 |
| Chisna No. 6 | Lode #4 | 176 |
| Chisna No. 7 | Lode #4 | 177 |
| Chisna No. 8 | Lode #4 | 178 |
| Bonnie No. 1 | Lode #4 | 164 |
| Bonnie No. 2 | Lode #4 | 165 |
| Bonnie No. 3 | Lode #4 | 166 |
| Bonnie No. 4 | Lode #4 | 167 |
| Bonnie No. 5 | Lode #4 | 168 |
| Bonnie No. 6 | Lode #4 | 169 |
| Bonnie No. 7 | Lode #4 | 170 |

(C) We have no other mining property other than the above at present.

3. PHYSICAL DESCRIPTION:

(A) As described on map and plat of claims which we are sending you. As far as we know there has been no serious attempt made to prospect our part of the river. We think this is because of the very difficult and turbulent stream that runs through our property and was to hard to control by early day miners.

(B) We are the outright and sole owners, equal ownership.

(C) We found no visible mine workings and think no one got below the surface water level on this property. We know of no gold production on these claims.

PHYSICAL DESCRIPTION: (continued)

(D) No known production.

(E) The geology as far as we know is sediments such as slates, greywake, shales and some lime. There is four large iron-stained areas in the slates with many small quartz and calcite stringers mostly up stream from our property. See map location of them. Our claims were staked to follow the present creek valley bottom. This bottom is 250 to 400 feet wide and about 200 to 300 feet lower than the old original channel surface level. This property lies at the 3500 to 4000 foot level mostly, with a stream grade of about 2%. The extimated stream normal flow is 1500 miners inches on our property. No visible permafrost is on this property and the Chisna flows directly into a heavily polluted glacial river, leaving no pollution problem. Snow is off the ground by June 1st.

106 ft/mile

3950

$\frac{950'}{3.5 \text{ mi}} = 120$ ft/mi

(F) There is visible evidence of much early day hand and hydraulic mining and prospect work on the John A. Hazelet patented group #M-916 and M-917 just above our upper end line. Land office plats of this property show much work performed between 1899 when staked and 1910 when patented. At the time Mr. Hazelet mined this property all supplies had to be freighted in from Valdez about 250 miles on the snow and ice. Recent mine work on Slate Creek indicates at one time a high old rich channel ran through Chisna Pass (See map) into the upper Chisna Valley. We have not been able to obtain any production records on this property. The lower end of the Chisna was staked in 1899 by Mr. Hazelet and patented in 1910. Here there is surface evidence of much prospect work and some mining on a shallow area. Prospect work in recent years by a major mining company (USSM & R Co.) showed ground up to 80 feet deep with fair values through the gravels, but not big enough volume to interest them. Their records are not available to us at this time. Land office patent #924 and plat of this property shows much prospecting activity and the mined area. Directly above this property and joining it there has been about a $40,000.00 production in recent years; see map and plat of claims. We know who mined there but they are not now available to us to get statements from. This would seem to us a very good chance to find pay between these two properties.

(G) No surface samples obtained.

4. ACCESSIBILITY OF PROPERTY:

(A) Mr. Howard Bayless, a half interest partner of Copper Center, who can be reached by phone can direct one to the property. We are about 42 miles off the main Tok Cut-Off Highway at Chistochina. There is a cat road from there into the property over fairly level ground. When froze in the spring supplies and equipment can be trucked overland at a very reasonable cost. There is a rough cat road out of Mentasta Pass to Mankomen Lake and up the middle fork of the Chistochina River and through a pass to the Chisna Valley. This road possibly needs minor cat work for even a power wagon and low water on the Chistochina River. We recommend air travel to view quickly the old workings or any other examination.

ACCESSIBILITY OF PROPERTY: (Continued)

(B) Mentasta Pass to upper Chisna possibly is 45 miles by road (see map). The fastest route by air is Dave Lanning at Summit Lake who can be reached by phone. He makes the trip in about 20 minutes for $35.00 to an air strip about two (2) miles from the property.

5. EXPLORATION WORK:

(A) Providing we find a definite pay streak we would like to drill a minimum of 4 holes per claim. This should be enough for initial exploration work to determine the presence, persistence and line of pay. We are the closest to any known pay on the upper end line of Chisna No. 1 claim. We want to drill our No. 1 hole on the upper center end line of this claim. The position of No. 2 hole will be dictated by the contents of No. 1 hole whether 50 or 100 feet west of first hole. If No. 1 and No. 2 holes both have pay we will go to center of claim and repeat position of end-line holes and so on down stream on suceeding claims. If no. 1 hole or no. 2 show no pay we will cross cut the valley on this line until we have exhausted the possibilities of pay here. This would be about 6 holes and with no pay here, would next want to go down stream to Chisna No. 6 claim, just below Powell Creek; here an old deep channel comes out of Powell into Chisna Valley. With a 6 hole cross cut here and no pay below this channel, there would be no object in going on with the drilling and if agreeable to government we would terminate the contract. We are reasonably sure of finding pay on this property with its position to other well known properties. We are prospecting this ground with the hope it will develop into a good dredging operation, or open pit hydraulic dragline and cat show. We think this ground to average 20 feet deep and with 4 holes per claim - 80 feet a claim.

(B) A summer road from Mankomen Lake (see map) to Chisna Valley could take a D-8 cat possibly two days to fix so that a power wagon or 4 x 4 truck could use it. Distance would be about 15 miles. Cost of cat would be about $36.00 per hour and time possibly 16 hours. That would be $576.00 for this road repair work. The road from Mankomen Lake to Mentasta on the main highway is in much better condition and would need a little if any work.

(C) We would be ready to leave anytime after the 20th of May. It would take about 4 days at least to freight the equipment and supplies and do the road work into where we would be drilling. The ground on the surface is mostly tough loose cobbles and expect little change to bedrock. Ten feet per day; for two men would be the minimum and keep up the equipment on this type of ground and do an accurate and competent job. (There may be days when we get 16 feet or more too). This is at the rate of 300 feet per month with churn drill, with placer bit. All the ground on our property is tough on the surface to drill.

6. EXPERIENCE:

We are experienced gold placer drillers of many years experience and can do a competent exploration test. We have drilled many thousand feet of drill work in Alaska and the Yukon in the last 30 years. We expect to do our own supervision, keeping drill logs of each drill hole with all pertinent information relating to character of material, amounts of gold encountered in milligrams and depth of each hole and etc. We will have duplicates made up for your files if needed.

7. ESTIMATE OF COSTS:

(A) No independent contracts. (No one interested in small bush contracts).

(B) Personal services. We could not undertake this exploration work unless we can get this government loan or would we be able to rent the equipment needed. We have contacted the Franklin Mining Company, Copper Center, Alaska and they will rent us the equipment to do the exploration work if we get the loan money to work with. If we rent this equipment and do the work ourselves we avoid buying and any repairs. With all our operating, drilling and freighting experience we could very well do all the work ourselves. This could all be done by fixed two stage contract between the government and ourselves, if agreeable as follows:

STAGE 1 - Three round trips for tractor and lowboy with equipment and supplies; Copper Center to Mentasta at start of exploration contract.....576.00 x3 ?

Summer road work by cat - Mankomen Lake to Chisna Valley 2 days @ 16 hours @ $36.00.....576.00

Cat work freighting drill, trailer, welder and supplies from Mentasta to Chisna Valley. Two days @ 16 hours @ $36.00 per hour.....576.00

(C) Then we would assume all cat rental and upkeep charges during drilling period, all drill rental and upkeep charges, all welder rental, supplies and upkeep charges. Wages of the two men needed and taxes. Wages would be 8 hours per day, 40 hours per week self employment (or hire one man part time if needed). All gasoline, fuel and lub oil charges, trailer and power saw rental. Pay for all supplies or incidental charges of any kind during on site work. In the first stage of this contract there would be 12 holes drilled an estimated 20 feet per hole or a total of 240 feet @ $16.00 per foot. @10/day = 24 days = 5 weeks = 35 days ?

Estimate of Day to Day Costs:

labor - 2 men, 8 hours each.....80.00
Diesel, gasoline, lub oil and welding rod.....16.00
Drill rental average 8 hours per day.....20.00
D-8 cat rental - 1 hour per day.....36.00
Welder rantal - 1 hour per day..... 3.00

ESTIMATE OF COSTS: (Continued)

| | |
|---|---|
| Incidentals | 4.00 |
| Power saw and trailer rental | 1.00 |
| PER DAY TOTAL | $160.00 |

| | |
|---|---|
| Camp mess equipment rental | 28.00 |
| Two axes, two shovels and two picks | 26.00 |
| Two hammers, 2 bars, 20 pounds nails | 16.00 |
| TOTAL | $70.00 |

| | |
|---|---|
| Drill rental - $2.50 per hour - 8 hours per day | 20.00 |
| Cat rental - $36.00 per hour - | 36.00 |
| Welder rental - 1 hour per day | 3.00 |
| Tractor and Lowboy rental per hour | 35.00 |

Summary of First Stage Costs: @ 10 ft/day

| | |
|---|---|
| Drilling. 12 holes x 20 ft x $16 = 24 days x $160/day = | 3840.00 |
| First freight contract | 1500.00 |
| Second freight contract | 576.00 |
| Road work | 576.00 |
| TOTAL OF FIRST STAGE OF CONTRACT | $6,492.00 |
| Our share of this contract amount - 25% | 1,626.00 |
| Government's share of this contract amount - 75% | $4,866.00 |

STAGE 2:

The second stage of this contract is contigent on the completion and findings of enough profitable pay in the first stage work. With this being a fixed contract and government participation in both stages estimated at $15,000.00 and ours at $5,000.00 we will drill 2 to 4 holes per claim at $16.00 per foot as shown on plat of claims until we have expended the above sums in exploration work on this property.

If we had a fixed price contract to do the drilling of $16.00 per foot (government share - $12.00 per foot; our share $4.00 per foot) it would save a lot of detail book work. In arriving at a cost of $16.00 per foot the going rate here for water well drilling in this vicinity with churn drill is $14.00. This would be under ideal conditions right on a major highway where all supplies and repairs are available. Also, nearly all of these water wells are in fine silts, sands and gravels where ours is course cobbles right from the top. (If we had to drill this property by bid at so much a foot we would have to have a guarantee of 500 feet or more with a price of well over $20.00 per foot to be sure of profit).

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

# U.S. Government Messenger Envelope

| NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM | | NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM | |
|---|---|---|---|
| Mr. Hewitt Rm 7112 | STOP | | STOP |
| ~~Mr Hammond Arnold Operations Region I~~ | STOP | | STOP |
| ~~131 Indiana Ave N.W~~ | STOP | | STOP |
| ~~Mrs. Vaccaro AMC - Rm. 2350~~ | STOP | | STOP |
| ~~Main Interior Bldg.~~ | STOP | | STOP |
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| ~~Margaret Pfahl Room 5647~~ | STOP | | STOP |
| ~~AMC Rm 6124~~ | STOP | | STOP |
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AUG 6 1968

AIRMAIL

Messrs. John Howard Bayless
and Fred Whitehead
Copper Center, Alaska 99753

Re: OME-6724 (Gold)
Bayless and Whitehead
Chisna and Bonnie Groups of Claims
Chitina Recording District, Alaska

Gentlemen:

Thank you for your letter of July 28, 1968, informing us that you will not require OME assistance applied for in the subject application because your additional investigations indicate that an exploration project is not warranted. Accordingly, we are considering the application as having been withdrawn and are placing it in our inactive file.

We wish to thank you for your interest in the OME program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region II (2 extra copies)
Mr. Smith

RMSmith:n/bsl 8/6/68

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Alaskan Geology Branch
Gakona, Alaska 99586

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August 2, 1968

OMF-6724

Mr. Arthur Grantz, Chief
Pacific Coast Branch
U.S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Dear Art:

Your letter concerning Bayless and Whitehead withdrawing their loan application arrived just in time to save me a lot of mental anguish. After you left Alaska I spent some time checking out a few things in the Nelchina mining district. (I will fill you in on this after I get back to Menlo Park.) Following that, I spent time working in the Yentna, Chisana, Eureka, and Valdez Creek placer mining districts, and finally, I got back to the Chistochina district, in which Bayless and Whitehead have their claims. I was in the throes of trying to make up my mind about what to say regarding the loan application when your letter arrived.

Ironically, I believe that their proposal had merit from a geological point of view; however, I certainly would question the propriety of some of their plans. For example, they were going to rent the drilling and other necessary equipment to do the exploration work from the Franklin Mining Company. Unless some drastic changes have been made recently, the Franklin Mining Company is owned by Howard Bayless and the Roberts boys. In other words, Bayless wanted a government loan so that he could, in effect, rent equipment from himself. Also, I am very skeptical of their statement concerning why they are withdrawing the application, but that is immaterial at this time.

I hope everything is going smoothly for you and that you have been able to find noteworthy projects on which to spend all of your Regional OE money. Ho! Ho! Ho!

Best wishes,

Oscar

Oscar J. Ferrians, Jr.
Geologist
Alaskan Geology Branch

CC: Gryc

Enclosure

July 20, 1968

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JUL 31 1968

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Mr. H. K. Stager
Field Officer, Region II
U. S. Geological Survey
Building 2, 345 Middlefield Road
Menlo Park, California 94025

Re: OME-6724

Dear Mr. Stager:

Withdrawn

This letter is to inform you that we will not require the loan as applied for under your docket no. OME-6724.

The flood waters of last season and spring snow run-off has exposed a large area of bedrock in the central upper part of our property. After filing our application we did additional investigation and could not find sufficient gold content to warrant a search beyond our hand work.

We wish to thank you for your consideration of our application and hopefully we may apply at some future date.

Sincerely yours,

Fred Whitehead
FRED WHITEHEAD

John Howard Bayless
JOHN HOWARD BAYLESS

cc: U. S. Geological Survey
Exploration Division
Anchorage, Alaska

U. S. Geological Survey
Office of Minerals Exploration
Washington, D. C.
Attn: Mr. Frank E. Johnson

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U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 7
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MESSRS.

MAY 24 1968

**AIRMAIL**

**Memorandum**

**To:** Field Officer, Region II

**From:** Chief, Office of Minerals Exploration

**Subject:** OME-6724 (Gold)
Bayless and Whitehead
Chisna and Bonnie Groups of Claims
Chitina Recording District, Alaska

The application is referred to Region II for review, a field examination if you consider it necessary, and recommendations.

Our principal question relates to the geologic probability of a significant discovery. It is evident that with placer production reported both upstream and downstream there may be reason to infer placer deposits on the Applicant's property, but as the hydraulic controls are not evaluated the basis for such an inference is not clear. From the topographic map it appears that downstream deposits were controlled in part by a curve in the channel and also by a decreasing gradient. Upstream deposits appear to be confined to the inside of fairly sharp curves; mining evidently stopped where the channel straightened. Since surface sampling is not practical, additional analysis of the gradient and configuration of the channel on the Applicant's property, and of the primary source of the gold, might lend support to the inference.

The Applicant's plan is to drill a preliminary fence of six holes across the upper end of the Chisna No. 1 claim, and if unsuccessful to drill another fence of six holes just below Powell Gulch. If both are unsuccessful the project would be terminated. This plan appears to be sound, but in your report please comment on the probability of an isolated pay streak just below Gold Creek and the feasibility of including a third fence of holes in Stage I.

While the estimated unit cost of $16 per foot appears to be realistic, please clarify whether equipment rental (last page, 3rd paragraph) has been included once or twice.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith - 130
Regional

RMSmith/bsl 5/23/68

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MAY 24 1968

AIRMAIL

John Howard Bayless and
Fred Whitehead
Copper Center, Alaska 99572

Re: SMK-6724 (Cold)
Bayless and Whitehead
Chisna and Bonnie Groups of Claims
Chitina Recording District, Alaska

Gentlemen:

Your application for financial assistance in exploring the placer claims referenced above has been reviewed by the Washington Office and referred to Mr. H. K. Stager, Field Officer, Region II, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025.

The Regional Office will notify you if additional information is needed or to arrange a field examination if necessary.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith
Region II (2 extra copies)

RMSmith/bsl 5/23/68

May 20, 1968

John Howard Bayless and
Fred Whitehead
Copper Center, Alaska 99573

Subject: OME-6724

Gentlemen:

Your application for exploration assistance, dated May 8, 1968, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6724.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-II

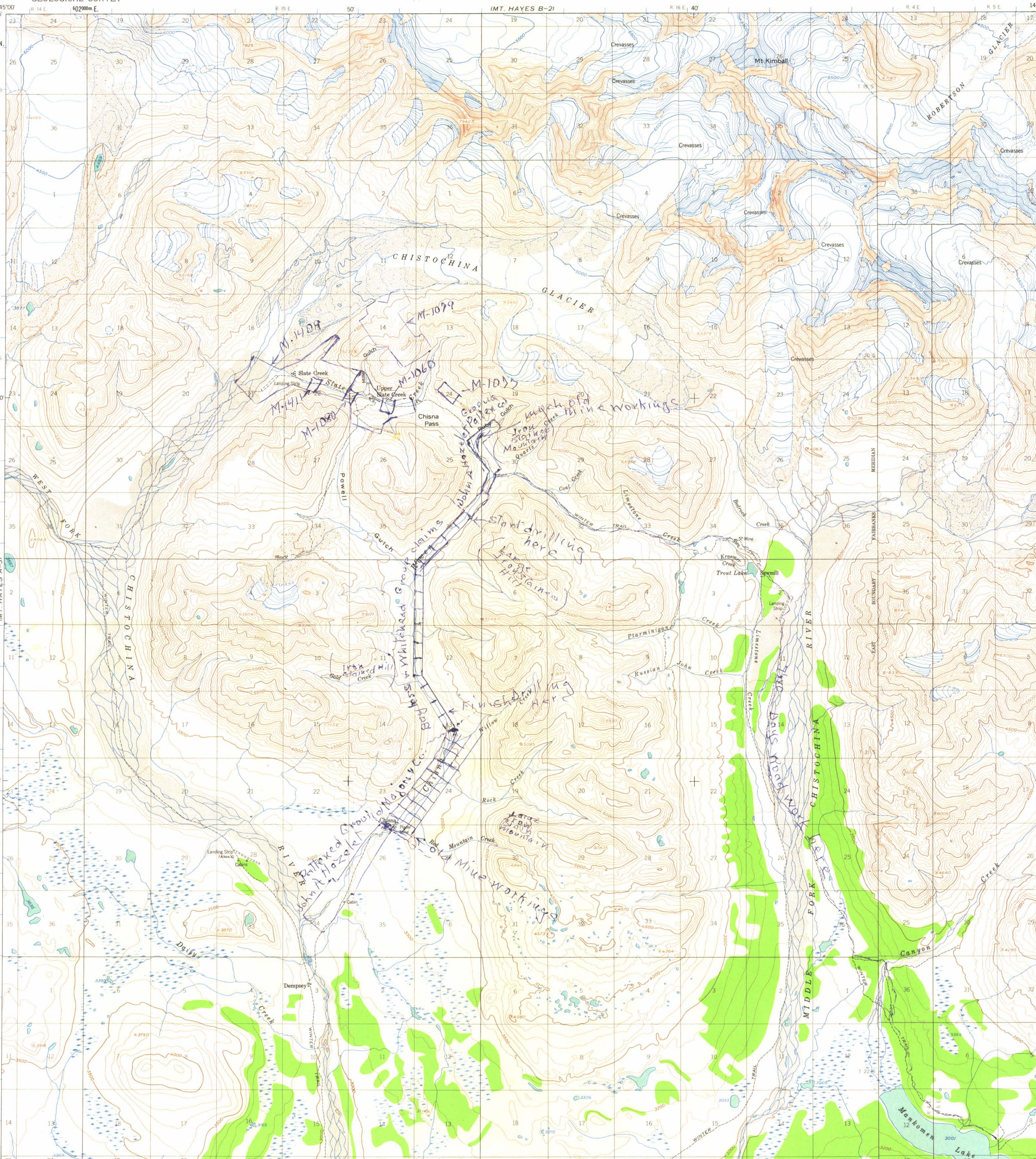
(MT. HAYES B-3)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

# MT. HAYES (A-2) QUADRANGLE
ALASKA
1:63 360 SERIES (TOPOGRAPHIC)

(MT. HAYES B-1)

(MT. HAYES B-2)

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(GULKANA D-3)

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(GULKANA D-1)

Mapped, edited, and published by the Geological Survey

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Topography by photogrammetric methods from aerial photographs taken 1954, field annotated 1955. Map not field checked

Universal Transverse Mercator projection
1927 North American datum
1000-meter Universal Transverse Mercator grid ticks, zone 6, shown in blue

Land lines represent unsurveyed and unmarked locations predetermined by the Bureau of Land Management. Folios F-9, Fairbanks Meridian, CR-1 and CR-3, Copper River Meridian

Swamps, as portrayed, indicate only the wetter areas, usually of low relief, as interpreted from aerial photographs

TRUE NORTH
MAGNETIC NORTH
29°
APPROXIMATE MEAN DECLINATION, 1955

SCALE 1:63360

1 ½ 0 1 2 3 4 MILES

3000 0 3000 6000 9000 12000 15000 18000 21000 FEET

1 .5 0 1 2 3 4 5 KILOMETERS

CONTOUR INTERVAL 100 FEET
DATUM IS MEAN SEA LEVEL

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ALASKA
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ROAD CLASSIFICATION
Trails

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