UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1131X

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

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.

✓ Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

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.

✓ Interim Reports.

On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

cwb
Reviewer's Initials

7973

NARRATIVE FROM REPORT ON TERMINATED CONTRACTS AS OF DECEMBER 31, 1952, SUBMITTED TO THE ADMINISTRATOR JANUARY 9, 1953.

*Contract No. Idm-E104
Docket No. DMA-1131K
Contract date: July 11, 1952
Commodity: Copper
Contractor: Sierra Copper Company
Location: Calaveras County, California
Contract Amount: $16,613.63
Govt. participation: 50% - $8,306.50
Total spent: $19,369.63 (excess over contract spent by Operator)

Subject contract work was completed during December, 1951. Applicant applied for a DMPA production loan while exploration work was in progress, which was denied. Engineers (Field Team DMPA) estimated an ore zone explored by DMPA funds contained 214,000 pounds of copper in material containing 1.43 copper. Operator then applied for an amendment to the DMPA contract to extend the exploration work. The USBM engineers (DMPA Field Team) recommended approval of the exploration work; however, the USGS geologist (DMPA Field Team) would not approve the proposed work. In a telephone conversation between the Executive Officer, Region III, and this office November 4, 1952, the Executive Officer recommended denying the amendment for additional exploration work. Accordingly, on November 18, 1952, a telegram was dispatched to the applicant.

During the course of the exploration work an ore shipment was made and a royalty payment of $9.63 was made February 14, 1952. No Certificate of Discovery was deemed necessary on this project.

Although no final report has been received, this contract is considered terminated since all funds have been expended.

2/18/53 Note:
See "Notice of Waiver of Government's Interest in Property Paid for or Purchased with Funds Constributed Jointly by the Operator and the Government" (dated Feb. 9, 1953). Also Miller-III memo to Mr. Chambers dated Feb. 11, 1953, re royalty payments, etc. and closing this matter.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sierra Copper Company

21st Floor, Tower Bldg.

Dallas, Texas

pertaining to Exploration Project Contract No. Idm-E 104, Docket No. DMA-1111X, as amended by Executive Officer's letters to contractor dated September 18, 1951 and December 4, 1951, for the period of July to December, 1951.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the field team, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;
(b) a major portion ($10,335.38) of the costs covered wages at approved rates, supported by monthly distribution statements; and
(c) the possibility of any disallowances reducing the accepted cost below the contract amount is very remote.

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

Total cost as shown on MF-104		$ 19,369.68
Exceptions:		
By DMEA Finance Officer	$ -	
Herewith	-	
Costs in excess of contract, not claimed by operator	2,756.68	2,756.68
Total Accepted Cost		$ 16,613.00

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eight thousand three hundred six and 50/100 Dollars,

- $ 8,306.50 -

is considered valid and proper.

Date: Mar. 5, 1953

E. R. Talbot
Auditor

Government Copy
Copper

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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2/19/53
Hoffhund

NOTICE OF WAIVER OF GOVERNMENT'S INTEREST IN PROPERTY PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT

To: Mr. Ronnie Smith, President
Sierra Copper Company
21st Floor, Tower Petroleum Building
Dallas, Texas

Operator under Exploration Project
Contract Idm-E104, Docket No.
DMEA-1131 (Copper), dated July 11, 1951

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 waives its interest in equipment, tools, rails, Go-Devil and other small tools, and powder magazine, purchased or erected by you under the terms of the contract.

Dated this 9th day of February 1953.

UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Distribution of this notice made as follows:

3 copies to Operating Committee, DMEA, Washington, D. C.
Original to Operator
1 copy to E. H. Bailey, USGS
1 copy to A. C. Johnson, Reno
1 copy to Finance Officer, Region III
1 copy to George Mavor

cae
2/16/53

200
(1951)

Docket No. DMA 1131
Commodity Copper

Idm-E104

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Dam
Copy 7/11/51

EXPLORATION PROJECT CONTRACT [1]

RECEIVED SEP 13 1951 D.A.O.

It is agreed this 11 day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Sierra Copper Company
21st Floor, Tower Bldg.,
Dallas, Texas

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of California, County of Calaveras described as follows: [3] Donner Mine in SW 1/4, Sec. 33, T 2N., R. 11 E., M.D.B. and M. Property more fully described in assignment of lease agreement dated May 1, 1951, attached hereto.

with respect to which the Operator represents and undertakes: [4]

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

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 30 (thirty) days from the date of this contract shall commence work on a project of exploration for [5] Copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 3 (three) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

RECEIVED
CONTRACT SERV. SEC.
D. A. O.

7. *Title to and disposition of prope*[illegible] All facilities, buildings, fixtures, equipmen[illegible] other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, 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.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $8,306.50, which is 50 percent of the agreed estimated total cost of this project, $16,613.00.

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in ~~triplicate~~ sextuplet the day and year first above written.

Sierra Copper Company
(Operator)

By Ronnie Smith Pres

attest: Fred S. Abney
Asst. Secy

THE UNITED STATES OF AMERICA

By C O Mettendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Exhibit A

The project at the Donner mine, Calavaras Mining District, Calavaras County, Calif., consists of cutting a station at the 100-foot level, sinking a sump 10 feet deep at the bottom of the shaft, drifting in the ore a distance of 100 feet each way (north and south) from the shaft, crosscutting at two locations in the north and south drifts, a distance of 25 feet each to intersect the footwall on each side of the shaft and crosscutting a distance of 75 feet to intersect a parallel vein which crops out on the surface. Estimated time of completion 85 days.

The cost of the proposed work is as follows:

Cutting station at 100-foot level	$ 735.00
Sinking sump, 10 feet at $50 a foot	500.00
Drifting north and south 200 feet at $20 a foot	4,000.00
Crosscutting 125 feet at $20 a foot	2,500.00
	$7,735.00

Supervision:

~~Overhead~~, Engineering, assaying, bookkeeping and workmens' compensation 85 days at $18	$1,530.00
Powder, caps and fuse	325.00
Replaceable drilling bits	300.00
Carbide	5.00
Gasoline for hoist, compressor and pick-up truck $10 a day for 83 days	850.00
Lubricating oil	75.00
Mine timber 10,000 bd. ft. at $85	850.00
Construction and repair of road 1/	2,500.00
Total Exhibit A	$14,170.00

Exhibit B

Construct 6' x 8' x 3' powder magazine Labor and materials	$ 300.00

Exhibit C

Rental of compressor from Kyle & Co., Stockton, Calif., $206 per mo. 3 months	618.00
Rental of 1 machine drill at $5 a day 85 days	425.00
Replacement of small tools (picks, shovels, etc.) as they wear out	100.00
Purchase 1 - 1-ton capacity mine car	500.00
200 feet mine rail, spikes, fish plates (to be purchased)	250.00
Purchase 1 Go-devil truck for mine bucket	50.00
Total Exhibit C	$1,943.00

Exhibit D

Schedule of wages to be paid:

1 working foreman		$400.00 a month
4 miners	each	12.80 a day
2 muckers	"	11.40 a day
1 hoisting engineer		11.40 a day

Exhibit E

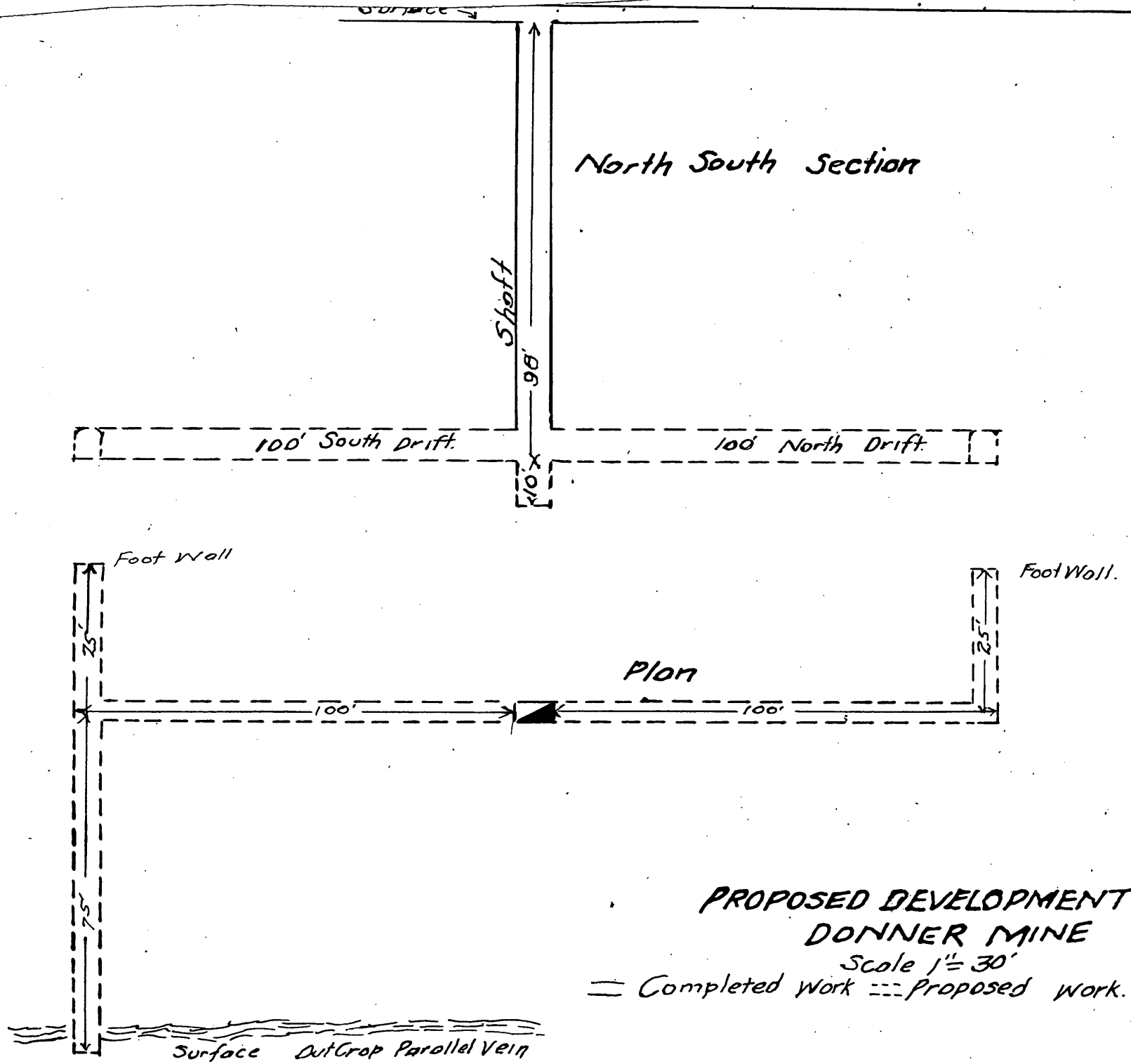
Repairs:

Brakes on hoist to be replaced	$ 200.00

Recapitulation

Exhibit A	$14,170.00
Exhibit B	300.00
Exhibit C	1,943.00
Exhibit D	------
Exhibit E	200.00
Total cost of project	$16,613.00

1/ It will be necessary that one mile of road be constructed from the Quail Hill mine road to the Donner property. The terrain over which the road must pass is not difficult. It will also be necessary to repair and maintain certain portions of the road coming in from the north and connecting with the Milton Road now being used for transportation of men and supplies to the mine.



PROPOSED DEVELOPMENT
DONNER MINE
Scale 1" = 30'
= Completed Work ::: Proposed Work.

SUBORDINATION AGREEMENT

WHEREAS, on March 29, 1951, HERMAN L. DONNER, as Lessor, executed a certain mining lease (hereinafter referred to as "said lease") to RONNIE B. SMITH, as Lessee, which mining lease was recorded in the County of Calaveras, State of California, on April 4, 1951, in Book 66, Page 218, Official Records; and

WHEREAS, pursuant to a royalty assignment dated May 1, 1951, RONNIE B. SMITH and M. CARROLL SMITH, his wife, assigned said lease to SIERRA COPPER COMPANY, reserving, however, a royalty of three per cent (3%) of the proceeds from copper and other precious metals recovered from ores shipped from said lease; and

WHEREAS, the undersigned desire to subordinate said royalty as hereinafter set forth,

NOW, THEREFORE, in consideration of the sum of ten dollars ($10.00) and other good and valuable consideration, the undersigned agree to and hereby do subordinate said royalty in and under said lease, and all other rights of every kind and nature which they may have in and to said lease and the land demised thereby, to any claim of the United States of America, and particularly to any claim of the United States of America, Department of the Interior, pursuant to any exploration project contract which may have heretofore or which may

hereafter be executed by Sierra Copper Company pertaining to or connected with said lease and any explorations conducted thereon.

IN WITNESS WHEREOF this agreement has been executed this 29 day of June, 1951.

Ronnie B. Smith
RONNIE B. SMITH

M. Carroll Smith
M. CARROLL SMITH

STATE OF Michigan)
COUNTY OF Antrim) ss:

On this 29 day of June, 1951, before me, H. H. Bechtold, a Notary Public in and for the State of Michigan, County of Antrim, residing therein, duly commissioned and sworn, personally appeared RONNIE B. SMITH, personally known to me to be the person whose name is subscribed to the within instrument, and he duly acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year in this certificate above written.

H. H. Bechtold

H. H. BECHTOLD
NOTARY PUBLIC, ANTRIM CO., MICH.
MY COMMISSION EXPIRES 4-12-54

STATE OF Michigan)
COUNTY OF Antrim) ss:

On this 29 day of June, 1951, before me, H. H. Bechtold, a Notary Public in and for the State of Michigan, County of Antrim, residing therein, duly commissioned and sworn, personally appeared M. CARROLL SMITH, personally known to me to be the person whose name is subscribed to the within instrument, and she duly acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year in this certificate above written.

H. H. Bechtold

H. H. BECHTOLD
NOTARY PUBLIC, ANTRIM CO., MICH.
MY COMMISSION EXPIRES 4-12-54

A S S I G N M E N T

THIS ASSIGNMENT made and entered into this 1 day of May, 1951, by and between RONNIE B. SMITH and M. CARROLL SMITH, his wife, (hereinafter collectively referred to as "Assignors"), and SIERRA COPPER COMPANY, a Delaware Corporation, (hereinafter referred to as "Assignee"),

W I T N E S S E T H:

WHEREAS, on March 29, 1951, Herman L. Donner, as lessor, executed a certain mining lease (hereinafter referred to as "said lease") to Ronnie B. Smith, as lessee, which mining lease was recorded in the County of Calaveras, State of California, on April 4, 1951, in Book 56, Page 218, Official Records; and

WHEREAS, Assignors desire to assign to Assignee and Assignee desires to acquire the Lessee's interest under said lease of the leasehold estate created thereby.

NOW, THEREFORE, in consideration of the sum of ten dollars ($10.00) and other good and valuable consideration, Assignors do hereby sell, convey, assign, transfer and set over unto Assignee said lease and the leasehold estate created thereby and all other rights and interests vested in Assignors, or either of them, by the terms and provisions thereof. The land demised and affected by said lease and which is the sub-

ject of this assignment, is situated in the County of Calaveras, State of California, and is more particularly described as follows:

> Beginning at the SW cor. of the SE 1/4 of said Sec. 33, thence running northerly along the westerly boundary line of the SE 1/4 of said Sec. 33 to a point thereon formed by the intersection thereof with the northerly projection of the easterly line (being the 2nd course of the description therein) of that certain parcel of land described in and conveyed by the deed from George Callahan, et al., to Herman Lee Donner, dated July 24, 1942, and recorded on August 7, 1942, in Book 24 of Official Records at page 214, et seq., Calaveras County Records; thence S. 40° 54' E. to a point in the southerly boundary line of the SW 1/4 of SW 1/4 of said Sec. 34, being the point thereon formed by the intersection thereof with the southerly projection of the easterly line of said above mentioned parcel of land described in and conveyed by said above mentioned deed recorded on August 7, 1942, in Book 24 of Official Records at page 214, et seq., Calaveras County records; thence westerly along the southerly boundary line of said Secs. 33 and 34 to the point of commencement, and containing 120 acres, more or less, described in the above mentioned deed recorded in Book 24 of Official Records at page 214, et seq., Calaveras County Records.
>
> Together with all leads, lodes and veins of quartz and other rock in place that lie or apex therein and all the dips, spurs and angles thereof, including the right to follow the same extralaterally on their downward course into and under the adjoining premises as mentioned and provided in the deed to Herman Lee Donner recorded in Book 36 of Official Records at pages 377 & 378, Calaveras County Records.
>
> Also Together with all rights of ingress and egress owned by lessor over adjoining lands.

RESERVING AND EXCEPTING, however, unto Assignors the royalty of three per cent (3%) of the proceeds from copper and all precious metals recovered from all ores shipped from the said mine. The foregoing shall be based upon smelter recovery and shall be calculated and paid on the same basis, at the same

time and shall be subject to the same reductions and deductions as provided in said lease with respect to the royalty payable to the Lessor.

Assignors warrant and represent that except as above provided said lease and the land and other interests covered thereby are free and clear from any royalties, reservations, liens or encumbrances made or suffered by Assignors. Assignors agree to indemnify and to hold Assignee harmless of and from any loss, costs or expense incurred by reason of any breach of the foregoing warranty.

The terms "Assignors" and "Assignee" wherever used herein shall include, and all the terms and provisions hereof, shall bind and inure to the benefit of the legal representatives, successors and assigns of the respective parties hereto.

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

Ronnie B. Smith
Ronnie B. Smith

M. Carroll Smith
M. Carroll Smith
ASSIGNORS

SIERRA COPPER COMPANY
By Ronnie Smith Pres
ASSIGNEE

STATE OF Mich)
COUNTY OF Kent) ss.

On this 9th day of July, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared RONNIE S. SMITH, personally known to me to be the person described in and whose name is subscribed to the foregoing instrument, and that he duly acknowledged to me that he executed the same.

WITNESS my hand and official seal.

(SEAL) Frank J. Marsden
Notary Public in and for said County and State.

* * * * *

STATE OF Mich)
COUNTY OF Kent) ss.

On this 9th day of July, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared M. CARROLL SMITH, personally known to me to be the person described in and whose name is subscribed to the foregoing instrument, and that she duly acknowledged to me that she executed the same.

WITNESS my hand and official seal.

(SEAL) Frank J. Marsden
Notary Public in and for said County and State.

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

On July 10th, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared RONNIE SMITH, known to me to be the PRESIDENT of the Corporation that executed the within Instrument, known to me to be the person who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

WITNESS my hand and official seal.

(SEAL) Martin J. Kinian
Notary Public in and for said County and State.

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 of Calaveras, State of California, described in a certain Exploration Project Contract dated ~~June 20~~ July 11, 1951 between Sierra Copper Company, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated March 29, 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 20th day of June, 1951.

Herman L Donner

Herman L. Donner

U. S. GOVERNMENT PRINTING OFFICE 940768

Office of
Executive Officer
DMA Field Team
Region III

July 24, 1951

Mr. Roy G. Mead
Consulting Engineer
920 Burchette Street
Glendale, California

Subject: Docket DMA-1131X
Donner Mine
Sierra Mining Co.

Dear Mr. Mead:

There are attached seven copies of subject contract with exhibits as we worked them out. You are to attach a map showing the proposed work to each contract and send six complete copies of the contract with exhibits to Mr. Ronnie B. Smith in Dallas. When Mr. Smith has signed the six copies he is to send them directly to Mr. Donald E. Moulds, Production Expansion Division, Defense Minerals Administration, Interior Building, Washington 25, D. C. He should ask Mr. Moulds to detach the subordination agreement from the previous contracts and attach it to this contract.

The total cost of the project is $16,613.00 which is very close to the estimate of $17,038.00 previously made.

I trust that what we did will meet Washington's approval and that your loan will now go through with no further delay.

If I can be of further help to you please do not hesitate to call on me again.

Correspondence you left with me is being returned herewith.

Sincerely yours,

H. C. Miller
Executive Officer, DMA Field Team
Region III

Attachments

Copy to: Donald E. Moulds, DMA, Washington, D. C.

MF-200
(April 1951)

Docket No. DMA 1131X
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

186

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 11 day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] Sierra Copper Company
21st Floor, Tower Bldg.,
Dallas, Texas

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of California, County of Calaveras described as follows:[3] Donner Mine in SW 1/4, Sec. 33, T2N., R11E., M.D.B. and M

with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole 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 he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 30 (Thirty) days from the date of this contract shall commence work on a project of exploration for[5] Copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] 3 (Three) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of proper*[illegible]ll facilities, buildings, fixtures, equipment, [illegible]her items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, 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.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $8,306.50, which is 50 percent of the agreed estimated total cost of this project, $16,613.00

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in ~~triplicate~~ sextuplet the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ---

By ---

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Exhibit A

The project at the Lerner mine, Calaveras Mining District, Calaveras County, Calif., consists of cutting a station at the 100-foot level, sinking a sump 10 feet deep at the bottom of the shaft, drifting in the ore a distance of 100 feet each way (north and south) from the shaft, crosscutting at two locations in the north and south drifts, a distance of 25 feet each to intersect the footwall on each side of the shaft and crosscutting a distance of 75 feet to intersect a parallel vein which crops out on the surface. Estimated time of completion 85 days.

The cost of the proposed work is as follows:

Cutting station at 100-foot level	$ 735.00
Sinking sump, 10 feet at $50 a foot	500.00
Drifting north and south 200 feet at $20 a foot	4,000.00
Crosscutting 125 feet at $20 a foot	2,500.00
	$7,735.00

Supervision:

Overhead, engineering, assaying, bookkeeping and workmen's compensation 85 days at $18	$1,530.00
Powder, caps and fuse	385.00
Replaceable drilling bits	300.00
Carbide	5.00
Gasoline for hoist, compressor and pick-up truck $10 a day for 83 days	850.00
Lubricating oil	75.00
Mine timber 10,000 bd. ft. at $85	850.00
Construction and repair of road 1/	2,500.00
Total Exhibit A	$14,170.00

Exhibit B

Construct 6' x 8' x 3' powder magazine Labor and materials	$ 300.00

Exhibit C

Rental of compressor from Kyle & Co., Stockton, Calif., $206 per mo. 3 months	618.00
Rental of 1 machine drill at $5 a day 85 days	425.00
Replacement of small tools (picks, shovels, etc.) as they wear out	100.00
Purchase 1 - 1-ton capacity mine car	500.00
200 feet mine rail, spikes, fish plates (to be purchased)	250.00
Purchase 1 Co-devil truck for mine bucket	50.00
Total Exhibit C	$1,943.00

Exhibit D

Schedule of wages to be paid:

1 working foreman		$400.00 a month
4 miners	each	12.80 a day
2 muckers	"	11.40 a day
1 hoisting engineer		11.40 a day

Exhibit E

Repairs:

Brakes on hoist to be replaced	$ 200.00

Recapitulation

Exhibit A	$14,170.00
Exhibit B	300.00
Exhibit C	1,943.00
Exhibit D	
Exhibit E	200.00
Total cost of project	$16,613.00

1/ It will be necessary that one mile of road be constructed from the Quail Hill mine road to the Conner property. The terrain over which the road must pass is not difficult. It will also be necessary to repair and maintain certain portions of the road coming in from the north and connecting with the Milton road now being used for transportation of men and supplies to the mine.

Form MF-103
(April 1951)

U[illegible]EPARTMENT OF THE INTER[illegible]
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. .....

Date received .....

Participation .....

Sierra Copper Company
21st Floor Tower Petroleum Bldg.
Dallas, Texas

Name and address of applicant

AMENDED APPLICATION - DONNER PROPERTY

Date May 15, 1951

FILL IN THIS BLOCK

Date of application May 15, 1951

Estimated cost $28,058.00

Mineral or metal Copper

Percentage of Government participation 50%

Location of mine Calaveras Mining District, Calaveras County, California.

Date of filing MF-100 May 1, 1951

DMA Docket Number, if available 1131

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?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

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.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
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)?

*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.

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

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.

*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.

*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.

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

*16. History:

(*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				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*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.

THE EXPLORATION

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

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

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.

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.

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

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

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

(*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.

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

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

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

(*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.

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.

---------- By ----------
(Name of company) (Signature of authorized official)

SEE LAST PAGE (PAGE 5)

---------- ----------
(Date) (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.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. See MF-100 filed with original application.

2. See MF-100 filed with original application.

3. See MF-100 filed with original application.

4. See MF-100 filed with original application.

5. Applicant is the lessee of the property.

6. Applicant is not the owner of the property.

7. Lease is attached to original application.

8. Applicant corporation has not actually begun business as yet, although it is authorized to do so and duly qualified in both California and Texas. All operations to date have been carried on through Ronnie B. Smith Mining Account and under the direct supervision of Roy G. Mead, and approximately $8,000 has been expended on the project to date.

9. Applicant is prepared to invest approximately $15,000 in this project known as the Donner property. This amount is sufficient to pay applicant's part of the cost of the project in accordance with the regulations on Government participation.

THE PROPERTY

10. For a description of the real property, see reports of Roy G. Mead attached to original application and lease covering Donner property attached to original application.

11. See MF-100 filed with original application.

12. See MF-100 filed with original application.

13. See MF-100 filed with original application.

14. See MF-100 filed with original application.

15. It is proposed to mill and concentrate the ore from the Donner property at the Mountain King Mill, which is located in the Copperopolis Mining District. The mill is approximately 11 miles by road from the Donner property, with one mile of such road yet to be constructed.

    The Mountain King Mill is presently under lease to Mr. Ronnie B. Smith, which lease will be assigned to applicant upon approval of application. It consists of three ball mills, flotation cells and filters and all other appurtenances

necessary to the milling of this type of copper ore, is completely powered with electric motors, and has a capacity of approximately 600 tons of ore per day. A large reservoir of water, adjacent to the mill, is also included in the lease. The concentrate will be hauled by truck to Farmington, California, a distance of approximately 20 miles, from which point it will be shipped by rail to the smelter at Salt Lake City, Utah. The ore recovered which is of sufficiently high grade to economically warrant shipment without concentration will be shipped directly by truck from the mine to Farmington, California, and thence to the smelter at Salt Lake City, Utah by rail.

16. History: See reports of Roy G. Mead attached to original application.

17. Production: Mine not in production.

18. Ore or mineral reserves: See reports of Roy G. Mead attached to original application.

19. Conditions or circumstances not brought out by foregoing:

It will be necessary that one mile of road be constructed from the Quail Hill Mine Road to the Donner property. The terrain over which the road must pass is not difficult. It will also be necessary to repair certain portions of the road coming in from the North and connecting with the Milton Road, now being used for transportation of men and supplies to the mine.

THE EXPLORATION

20. Exploration will be conducted for copper and copper deposits in the form of sulfides and carbonates.

21. Proposed work and estimated time required to complete it:

The shaft on the Donner property was originally a 3'x4' inclined shaft, approximately 60 feet deep, untimbered and without ladders. It is proposed that this shaft be enlarged to 6'x8½' in the clear and timbered with 8'x6' timbers. The inside measurements of the skip compartment are 4½'x4½', and the manway 4½'x3'. The shaft as of May 15 has been enlarged to a depth of 38 feet and timbered to a depth of 30 feet. The shaft is to be carried to a depth of 100 feet, or 62 feet below its present bottom. This work will require 62 days, at a cost of $98.00 per day, which includes labor, timbers, power, powder, and liability insurance. In addition, the overhead, including management, bookkeeping, assaying and engineering, will amount to $15.00 per day.

22. Geological basis of the project: See reports of Roy G. Mead attached to original application.

THE REQUIREMENTS AND COSTS

23. Itemized statement of estimated requirements and costs:

Donner Property

(a) Labor:

Enlarging and sinking Donner shaft, including timbering, 62 days @ $98.00 per day	$6,076.00	
Cutting station at 100-foot level, 4 days @ $98.00 per day. . . .	392.00	
Drifting 100 feet each way from the shaft @ $20 per ft. .	4,000.00	
Underground chutes and pocket at station	500.00	
		$ 10,968.00

(b) Supervision:

Overhead, engineering, etc., 66 days	990.00

(c) Cost of repairs: None

(d) Cost of necessary installation or construction of additional facilities:

Blacksmith shop	$1,500.00	
Change room	500.00	
Road work	2,500.00	
		4,500.00

(e) Cost of items of equipment to be purchased:

Hoist and compressor, gasoline or Diesel motor driven	$7,600.00	
Rails, car and small tools	1,500.00	
Truck purchased	2,500.00	
		11,600.00

(f) Cost of rental for equipment:

None to be rented.

(g) Rental value of items of equipment now owned by operator:

Small tools - Nominal.

(h) Cost of materials, supplies, etc.:

Included in item (a) above.

(i) Cost of power, water, utilities, etc.:

Included in item (a) above.

TOTAL ESTIMATED COSTS $28,058.00

24. Time schedule: 66 days.

Money to be spent: In accordance with daily requirements indicated above.

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.

SIERRA COPPER COMPANY (Name of Company)	By Ronnie B. Smith (Ronnie B. Smith)
May 15, 1951 (Date)	President (Title)

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. dma-1131 X

Date received 5/9/51

Sierra Copper Company
21st Floor Tower Petroleum Bldg.
Dallas, Texas

Name and address of applicant

Date May 1, 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?
   (*b*) What are the byproducts, if any?
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:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
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.
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.
   (*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.

16—63792-1

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the o[illegible]m[illegible]ral deposit briefly. Accompany the ap[illegible]t[illegible]by any available report on the geology and ore reserves.

GENERAL TECHNICAL DATA

1. Materials produced:

   (a) Chief mine, mill or smelter products: Copper and Zinc sulfides and carbonates and Chalcopyrite.

   (b) By-products: None.

2. Name of Mines: McCarty Mine (formerly known as Calaveras Copper Mine) and Donner Mine.

   Type of Mines: Underground.

   Name of Mill: Mountain King Mill.

   Type of Mill: Modern ball mill containing three (3) complete units, with a total capacity of 600 tons of ore per day. Mill is under lease to applicant for a period of two years beginning April 23, 1951.

   Smelter: None.

   Refinery: None.

   Pit: None.

   Quarry: None.

   Drilling operation: It is proposed to core drill both properties.

   Extent of workings:

   (a) Linear feet of shafts:

   McCarty: 55 feet - newly timbered.

   Donner: 60 feet - newly timbered.

   (b) Linear feet of drifts and crosscuts:

   McCarty: 10 feet of crosscuts.

   Donner: None.

   (c) Linear feet of tunnels or adits: None.

   (d) Linear feet of other mine openings:

   McCarty: 110 ft. vertical shaft, newly timbered.

   Donner: None.

(e) Flood conditions and pumping problems:

McCarty: The McCarty Mine is flooded, but the water is kept down by the use of one Ingersoll-Rand No. 35 sump pump having a capacity of 90 gallons per minute with a 100-foot head when operated by compressed air at 100 pounds pressure.

Donner: No water problem as of present depth.

3. Location, etc.

(a) Distance and direction from nearest town and shipping point:

McCarty: 20 miles Northeast of Farmington, California (shipping point of high grade or milled concentrate), one mile Southeast of Copperopolis (nearest town).

Donner: 20 miles North Northeast of Farmington, Calif. (shipping point of high grade or milled concentrate), 9½ miles Northwest of Copperopolis (nearest town).

(b) Mining district:

McCarty: Calaveras.

Donner: Calaveras.

(c) Township, Section, Range:

McCarty: Mineral Entry No. 13, Lot 37, Sections 2 and 3, Township 1 North, Range 12 East, containing 41.31 acres, more or less.

Donner: Southwest 1/4 of Section 33, Township 2 North, Range 11 East, M.D.B.&M.

(d) County, State:

McCarty and Donner: County of Calaveras, State of California.

4. (a) Operation:

McCarty: Prospect shaft was sunk to a depth of 55 feet with a crosscut of approximately 10 feet at the bottom. Operations on the McCarty were suspended April 25, 1951 pending action on this application.

Donner: The Donner property is being operated as an exploration project, employing six men in the process of sinking vertical shaft.

All operations to date have been carried on by Ronnie B. Smith individually. Mr. Smith is the chief stockholder in applicant Sierra Copper Company and proposes to transfer all operations to applicant, together with an assignment of the mining leases.

(b) The McCarty property is being operated under a lease and bond for fee simple title. The Donner property is being operated under a lease. Both leases stand in the name of Ronnie B. Smith individually, chief stockholder of applicant, but will be assigned to applicant upon approval of this application.

5. Number of years in production:

The present exploration project has been underway approximately five months. As to prior production, see attached engineering reports by Roy G. Mead, consulting engineer, of Glendale, California. It is estimated that actual production will begin 100 days after approval of the exploration project.

6. Experience of operators:

(a) The applicant is a newly-formed corporation.

(b) The persons who will manage the project and their experience are as follows:

Mr. Ronnie B. Smith will be the president of the company and will have charge of the overall supervision of the work. Mr. Smith is a chemical engineer with wide and varied experience in the oil industry, both in the producing and refining phases thereof, and has taken the leading part in the organization and development of several successful business enterprises.

Mr. Roy G. Mead will be vice-president and general manager of the applicant company, and will be in active charge of the mining and milling operations, and will be responsible for the technical aspect of the enterprise. Mr. Mead is a licensed petroleum engineer and geologist with many years of experience in the State of California. A brief outline of Mr. Mead's background and experience is to be found in the publication "Who's Who in Engineering", Sixth Edition, page 1342, which we quote as follows:

"Mead, Roy G., Cons.Engr. and Geol., 614 So. Hope St., Los Angeles, Calif.; res. 920 Burchett St., Glendale, Calif. Cons. Engr. and Geol.; b. Garfield, Colo., July 22, 1881; s. Frank W. and Matilda Gibbons Mead; edn. Pub. Sch., Aspen, Colo., H.S., Ariz.; Univ. of Ariz., B.S.; Sigma Gamma Epsilon; m. Cora Colvin, Apr. 6, 1908, Los Angeles, Calif.; ch: Roy

Gibbons, Jr. and Norma Pearl; 1906-7 Supt. Kelvin Reduction Co.; 1907-08, Cons. work, Los Angeles, Calif.; 1909-10, Manager Amer. Mining & Development Co.; 1910-12, Asst. Engr., City Engrs. Office, Los Angeles, Calif.; 1912-16, Min. Engr., U. S. General Land Office, Washington, D. C.; 1916-18, Supt., Troy-Arizona Copper Co.; 1918-19, Capt. Engrs., U.S.A.; Captain Engrs., Reserve Corps, 1919-33; 1919-21, Cons. work, Los Angeles, Calif.; 1921-23, Asst. Geol., Associated Oil Co.; 1923-47, Cons. Engr. and Geol., Los Angeles, Calif., General practice; mem. A.I.M.E.; Amer. Assoc. of Petro. Geologists. Regd. Civil Engr., State of Calif.; A.A.S.; University Club; Past Master Euclid Lodge No. 519, F. & A. M.; Los Angeles Consistory."

Mr. C. B. Wood of Copperopolis, California, will be the assistant general manager, immediately under Mr. Mead. Mr. Wood is a resident of Copperopolis, California, and has had wide practical experience in mining and in mill operations and is thoroughly familiar with the Mountain King Mill and the McCarty and Donner Mines.

When actual production is begun, Mr. Frank Lane of Copperopolis, California, will be foreman of the Mountain King Mill, and in immediate charge of the milling operations. Mr. Lane has had thirty years' of experience in the copper and zinc mills of this area of California, including one year when he was foreman of the Mountain King Mill during its operations carried on during the last emergency.

Mr. Howard Castle will be mine foreman, directly in charge of all mining operations. Mr. Castle is a miner of twenty years' experience, most of which was spent in the area immediately around Copperopolis. He worked for two years in the North Keystone Mine, operated during the last emergency, and it is understood that in excess of 10,000,000 pounds of copper was recovered or mined from the North Keystone Mine during that period and milled in the Mountain King Mill, which is proposed for operation by this applicant at the present time.

While the operation of the Mountain King Mill will be under the direct supervision of Mr. Lane, above mentioned, The American Cynamide Company, which has agreed to furnish the chemical reagents for use in connection with the mill, has volunteered to furnish a qualified chemical expert, at applicant's expense, to supervise and assist applicant in the use of chemical reagents in the mill's operations in order that the most efficient rate of recovery may be obtained.

7. History:

See attached reports by Roy G. Mead.

8. Names and addresses of [redacted]ers, Directors, or Partners, and in addition [redacted]to, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Ronnie B. Smith, Tower Petroleum Bldg., Dallas, Tex.	President & Director	None	450,000	90%		None	
Roy G. Mead, Glendale, Calif.	Vice-Pres. & Director	None	50,000	5%		None	
R. C. Bergen, Los Angeles, Calif.	Secy-Treas.	None	--	--		----	
C. B. Wood, Copperopolis, Calif.	Stock-holder	None	--	5%		None	
	Total	----	x x x x x	100%		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 13,500	$ To be	$ 1.50	None	None
Preferred stock	$100,000	$ issued*	$100.00	None	None

~~*Indicate period covered~~ *To be issued contemporaneously with approval of this application. To date, approximately $35,000 has been expended by individuals in addition to personal services.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	- - - -	- - -	NONE - - -	- - - - -	- - - -
2. Quantity of product processed (specify unit of measure and type of process)			"		
3. Quantity and grade of product sold or shipped (specify units of measure)			"		

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. After completion of exploration, estimated monthly production -- 4500 tons from McCarty, 4500 tons from Donner.

12. Ore or Mineral Reserves:

(a) Describe the ore [redacted] mineral deposit briefly. Accompany the app[redacted]tion by any available report on the geology and ore reserves. SEE REPORTS OF ROY G. MEAD ATTACHED.

16—63792-1

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. _____

Date received _____

Name and address of applicant

Date _____

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?
   (*b*) What are the byproducts, if any?
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:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
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.
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.
   (*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.

(*b*) If deposit is ot[illegible]an placer: **SEE REPORTS OF R[illegible]. MEAD ATTACHED.**

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)		SEE MEAD REPORTS.			
Indicated (probable)		SEE MEAD REPORTS.			

(*c*) If placer: **NOT APPLICABLE.**

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

SEE LAST PAGE.

(Name of company) By (Signature of authorized official)

(Date) (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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

13. Access Roads:

McCarty: There are hard surface roads from McCarty to Mountain King Mill, a distance of six miles by surfaced road, with no grades. Concentrates to be hauled to Farmington, California, a distance of 20 miles over hard surface roads.

Donner: The Donner property is approximately 11 miles by road from the Mountain King Mill, reached through Copperopolis via Highway 4 and Quail Hill Mine Road. Approximately one mile of road will be necessary to reach the Donner property from the Quail Hill Mine Road, over terrain which is not difficult.

Copperopolis and Angels Camp are supply and residence points. Angels Camp is approximately 11 miles from McCarty property over good road, and 17 miles from the Donner property. McCarty is one mile from Copperopolis over good road, and Donner is 7 miles from Copperopolis over good road except for one mile to be constructed.

14. Water Supply:

In addition to water in the mine with respect to the McCarty, there is an all-year-round fresh water stream running across the property.

As to the Donner, there is an all-year-round fresh water stream approximately 1½ miles from this lease, from which it may be necessary to pipe water sometime in the future. In addition, there is water on an old shaft in the northern extremeties of the Donner.

15. Power:

At present, there is a gasoline-driven compressor being used on the Donner property. When operations are resumed on the McCarty property, it is proposed to tie in to the Pacific Gas & Electric line, which is a distance of about 3/4 of a mile from the boundaries of the lease. The rate per hour is undetermined, as well as the cost of the line and transformers.

16. Labor:

Miners - 3; Muckers - 2; Hoist men - 2; Foreman - 1; Engineer - 1.

The above men have recently been moved from the McCarty property to the Donner property. In addition, one electrician and one millwright have been employed since April 23, 1951, putting the Mountain King Mill in proper condition.

17. Equipment and Facilities:

For present equipment on the property, including buildings, see attached reports by Roy G. Mead.

Major pieces of equipment now owned or controlled and in serviceable condition:

1 - hoist
1 - small tugger hoist
1 - Ingersoll-Rand No. 35 sump pump
Miscellaneous hand tools

18. Particular conditions and circumstances:

See Roy G. Mead reports.

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.

SIERRA COPPER COMPANY	By Rome B Smith
(Name of company)	(Signature of authorized official)
May 1, 1951	President
(Date)	(Title)

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. DMA-1131X

Date received 5/9/51

Participation

Sierra Copper Company
21st Floor Tower Petroleum Bldg.
Dallas, Texas

See attached amended application affecting only to Pioneer holdings
21 Apr 51

Name and address of applicant

Date May 1, 1951

FILL IN THIS BLOCK

Date of application May 1, 1951 Estimated cost $79,183.00

Mineral or metal Copper Percentage of Government participation 50%

Location of mines: Calaveras Mining District, Calaveras County, California.

Date of filing MF-100 May 1, 1951 DMA Docket Number, if available DMA-1131X

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?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

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.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
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)?

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

    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.

*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.

*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.

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

*16. History:
    (*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				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*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.

THE EXPLORATION

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

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    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.

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.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*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.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*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.

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.

By _____
(Name of company) (Signature of authorized official)

SEE LAST PAGE.

_____ _____
(Date) (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.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. See MF-100.

2. See MF-100.

3. See MF-100.

4. See MF-100.

5. See MF-100.

6. Not owner.

7. Leases attached.

8. Applicant corporation has not actually begun business as yet, although it is authorized to do so and duly qualified in both California and Texas. All operations to date have been carried on through Ronnie B. Smith Mining Account and under the direct supervision of Roy G. Mead, and approximately $35,000 has been expended on the project to date.

9. Applicant is prepared to invest approximately $40,000 in the project. This amount is sufficient to pay applicant's part of the cost of the project in accordance with the regulations on Government participation.

THE PROPERTY

10. See attached reports of Roy G. Mead.

11. See MF-100.

12. See MF-100.

13. See MF-100.

14. See MF-100.

15. It is proposed to mill and concentrate the ore from both the McCarty and the Donner properties at the Mountain King Mill, which is located in the Copperopolis Mining District. The mill is approximately 11 miles by road from the Donner property, with one mile of such road yet to be constructed. The McCarty property is approximately 6 miles, by surfaced road with no grade, from the mill.

    The Mountain King Mill is presently under lease to Mr. Ronnie B. Smith, which lease will be assigned to applicant upon approval of application. It consists of three ball mills, flotation cells and filters, completely powered with electric motors, and has a capacity of approximately

600 tons of ore per day. A large reservoir of water, adjacent to the mill, is also included in the lease. The concentrate will be hauled by truck to Farmington, California, a distance of approximately 20 miles, from which it will be shipped by rail to the smelter at Salt Lake City, Utah.

16. History: See attached reports of Roy G. Mead.

17. Production: Mine not in production.

18. Ore or mineral reserves: See Roy G. Mead reports.

19. Conditions or circumstances not brought out by foregoing: See Roy G. Mead reports.

THE EXPLORATION

20. Exploration will be conducted for Copper and Copper deposits in the form of sulfides, carbonates, and Chalcopyrite.

21. It is proposed to deepen each shaft on each of the properties to 100 feet and to crosscut or drift from the bottom approximately another 100 feet in each mine. In addition, it is recommended that a sufficient number of core holes be drilled to a depth of 150 feet to determine the extent of underlying ore bodies at this depth. Mr. Mead, our engineer, estimates that approximately 100 days will be required after approval of application to perform the above work.

22. Geological basis of the project: See Roy G. Mead reports.

THE REQUIREMENTS AND COSTS

23. Itemized statement of estimated requirements and costs:

McCarty Operations

		Total for 100 days of Operation
(a)	3 miners at $12.80 per day, 2 muckers $11.40 per day, 2 hoist men $11.40 per day	$ 8,400.00
(b)	1 foreman at $400.00 per month, 1 engineer at $500.00 per month	3,000.00
(c)	Cost of repairs - None	
(d)	Hoist house $1200.00, head frame $2500.00, blacksmith shop $1000.00	4,700.00

(e)	Hoist electric motor driven $4500.00, mine skip and cable $700.00, air compressor electric motor driven $4000.00, air drills etc. $750.00, water pump $800.00	$ 9,950.00
(f)	Trucks $300.00 per month	1,000.00
(g)	Core drilling equipment $5.50 per foot of hole, including labor, etc.	21,600.00
(h)	Small tools, shovels, picks, powder, etc.	1,500.00
(i)	Electric power $300.00 per month	1,000.00
		$51,150.00

Donner Operations

(a)	3 miners at $12.80 per day, 2 muckers at $11.40 per day, 2 hoist men $11.40 per day	$ 8,400.00
(b)	1 foreman at $400.00 per month, engineer in charge $500.00 per month	3,000.00
(c)	Cost of repairs - None	
(d)	Change room and heating equipment $1500.00, hoist house $1500.00, blacksmith shop $1200	4,200.00
(e)	Gasoline motor hoist $2500.00, gasoline driven air compressor $3000.00, mine skip and cable $700.00, air drills $750.00, water pump for water supply $250.00, mine pump $400.00	7,600.00
(f)	Pick-up truck $2500.00	2,500.00
(g)	Rental value of equipment, etc. - None	
(h)	Small tools, shovels, picks, powder, etc.	1,500.00
(i)	Gasoline for power $250.00 per month	833.00
		$28,033.00

24. Time schedule for the project is estimated for completion within 100 days after approval. It is anticipated that approximately $79,183.00 will be spent.

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.

SIERRA COPPER COMPANY (Name of Company)	By Ronnie B. Smith (Ronnie B. Smith)
May 1, 1951 (Date)	President (Title)

MINING LEASE AND OPTION TO BUY

CALAVERAS COPPER MINE

-oOo-

THIS AGREEMENT, made and entered into this 2nd day of ~~September~~ October, 1950, by and between JACKSON D. McCARTY CO., a California Corporation, having its principal office in Copperopolis, California, hereinafter called "Lessor," and CHARLES B. WOOD, General Delivery, Copperopolis, California, hereinafter called "Lessee,"

W I T N E S S E T H:

That for and in consideration of the sum of TEN ($10.00) DOLLARS, paid by Lessee to Lessor, receipt of which is hereby acknowledged, and in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto as follows, to-wit:

1. The term of this agreement shall commence on the 1st day of November, 1950, and continue for ten (10) years thereafter unless sooner terminated in one of the ways hereinafter provided.

2. Lessor does hereby grant to Lessee for the term hereof the exclusive right to carry on underground mining operations on all of the properties described in Exhibit "A" attached hereto and made a part hereof and on the surface of such of said properties as Lessee may select, with the right to extract and remove ores therefrom upon the terms and conditions hereinafter set forth.

3. Lessor does also hereby grant unto the Lessee the exclusive right and privilege of purchasing, during the term hereof, the properties described in Exhibit "A" attached hereto, upon the terms and conditions hereinafter set forth.

4. The total purchase price of said underground mining rights and the right to use the surface of these lands as hereinafter set forth, shall be the sum of One Hundred Fifty Thousand Dollars ($150,000.00), without interest, all of which said purchase price shall be payable as hereinafter set forth.

5. Lessee agrees to payLesser as rental and royalties and as payments upon the purchase price of said lands, percentage royalty payments as follows:

(a) Lessee hereunder agrees that beginning January 1, 1951, he shall, during every month during the term of this Agreement, diligently apply himself in the working and operating of said property and shall employ not less than one hundred and twenty (120) eight hour one man working shifts per month for each and every month thereafter during the term hereof.

(b) On any and all ores extracted from the properties described in Exhibit "A" attached hereto, the Lessee shall pay the Lessor a royalty of five (5) per cent of the net mint or smelter returns received from the sale of bullion or concentrates recovered from said ores until the balance of said purchase price has been paid in full. Said percentage royalties shall be paid within ten (10) days after the receipt of the settlement for such ores or concentrates.

(c) Lessee shall have the right to use any portion of the surface of the demised premises listed in Exhibit "A" necessary in its mining operations, including the operation of open pits, construction of surface plant, storage of dump and waste piles, ore piles, storage of mill tailings, storage of water, rights of way for power lines, water supply and roads; reserving to the Lessor, however, all grazing rights on the land not so used by Lessee.

6. Lessee agrees that during all the time he is entitled to the possession of any of the premises covered hereby he will:

(a) Enter upon the premises and work the same in a proper, skillful and minerlike fashion and in manner necessary to good and economical mining so as to take out the greatest amount of ore possible, with due regard tothe safety, preservation and development of said mines as workable mines.

(b) Well and sufficiently timber all working in the demised premises where proper in accordance with good mining and to maintain such timbering.

(c) Permit the agents or representatives of the Lessor to have access to all workings upon the premises for the purpose of sampling and testing the value of any and all ores that may be disclosed in any part of the workings upon said premises or which are lying upon the dumps or which are being mined and milled and

for the purpose of inspection and survey, and to inspect the milling plant and the operations thereof and all metallurgical data and information, including way bills, shipping receipts and smelter or reduction returns.

(d) Promptly pay for all labor, material and supplies used and employed in connection with its operations, either mining or milling.

(e) Keep said premises, and the whole thereof, free and clear of any and all liens and encumbrances.

(f) Notify the Lessor of all shipments of ores or concentrates, giving the estimated tonnage of value thereof, and the name of the intended purchaser and to provide that copies of all smelter returns shall be delivered to the Lessor.

(g) Pay all taxes assessed against said underground mining rights and against all surface lands occupied by Lessee, and all bullion taxes levied against the product or output of said mines during the life of this lease.

(h) In the event the Lessee sinks any prospect holes, shafts, cuts or other excavations and then abandons the same, or where the same are not being used by the Lessee, the Lessee shall fence such holes, shafts, cuts or other excavations, so as to protect against loss or injury to livestock grazing on said lands. Lessee shall also fence and maintain fences around any lands where slimes are deposited or where poisonous materials are placed or permitted to remain or settle on said lands so as to protect against loss or injury to livestock grazing on the lands of Lessor.

(i) Lessor shallhave the right to post andmaintain on any of said lands, notices of non-liability, so as to protect Lessor and said lands from any claim of laborers or materialmen performing labor upon or supplying materials to any improvement thereon, or as against any claims for injury to employees of Lessee, ariding out of any work being performed upon said property.

7. It is understood and agreed that any and all royalties and/or payments on account of the purchase price payable to the Lessor hereunder shall be made by the Lessee paying the same to the Bank of America, Angels Branch, Angels Camp, California, which bank is hereby appointed the agent of the Lessor for the purpose of receiving such royalties and/or payments, any and all payments made to it shall constitute a good and sufficient payment to the Lessor and there shall be no obligation on the Lessee to see to the division or application of said payments.

8. Lessor hereby warrants and agrees to defend the title to the lands described in Exhibit "A" hereto and agrees that the Lessee, at his option, may pay and discharge any taxes, mortgages or other liens existing, levied or assessed against said premises, and in the event he exercises such option, he will be subrogated to the rights of any holder or holders thereof and may reimburse himself from any royalties accruing hereunder for any payments made by him in discharging any such mortgage, tax or lien, save and except any which under the terms hereof is payable by him, it being understood and agreed that any amount so taken by Lessee to reimburse himself as aforesaid, shall be treated and considered as a payment on the purchase price to be applied on the last installment or installments thereof falling due hereunder.

9. Lessor agrees that at any time after Twenty Thousand Dollars ($20,000.00) shall have been paid by the Lessee hereunder, it will upon demand furnish to the Lessee, a policy of title insurance in the sum of One Hundred Fifty Thousand Dollars ($150,000.00), issued by a company satisfactory to Lessee, insuring the title of Lessor or Lessee hereunder to all of the patented properties described in Exhibit "A" hereto to be free and clear of any and all liens, encumbrances or defects, save and except those heretofore or hereafter approved by Lessee. Lessor also agrees that Lessee may, at his election, after Twenty Thousand Dollars ($20,000.00) has been paid on the purchase price, instead of demanding a

policy of title insurance from Lessor, as aforesaid, order such a policy of title insurance from such company as he may select, in which event Lessor agrees to pay the title company its charges therefor. Lessor further agrees that at the time the first payment referred to in subdivision (b) of paragraph numbered 5 hereof is made, it will deposit with the Bank of America, Angels Branch, Angels Camp, California, a deed or deeds to the real properties described in Exhibit "A" attached hereto, duly executed and acknowledged in favor of Lessee with instructions to deliver such deed to Lessee when the payments provided for in said paragraph numbered 5 hereof shall have been fully made in accordance with the terms hereof.

10. It is understood and agreed that this is not a firm commitment on the part of the Lessee to occupy the said premises or to carry on mining operations thereof for the term herein provided or to purchase the properties described in Exhibit "A" hereto, and the Lessee may, at his option, terminate this agreement and surrender this lease and option at any time (either before or after he has commenced making payments provided to be paid in paragraph numbered 5 hereof) by giving the Lessor ten (10) days' written notice of his intention so to do, in which event the Lessee shall stand released from all obligations hereunder except pecuniary obligations which may have accrued prior to such termination. In the event that the Lessee does abandon this lease, as herein set forth, or in the event the said Lessee should forfeit his right to continue under this lease, as herein set forth, the Lessee agrees that he will immediately execute and deliver to Lessor a quitclaim deed of said premises, so as to clear the record of any cloud caused by the recording of this lease, and in the event the Lessee should fail or refuse to so deliver such quitclaim deed, he will be responsible to the Lessor for allcosts, damages and attorney's fees incurred in any proceedings taken by the Lessor to clear the title from any cloud caused by this lease or the recording thereof.

11. It is agreed that any notice required hereunder may be served personally upon the person for whom it is intended or may be by mailing the same to the party to whom it is intended, by United States Registered mail, special delivery, addressed to them respectively as follows:

> The Lessor at Copperopolis, Calaveras County, California, or such other place as it may in writing designate.
>
> The Lessee at General Delivery, Copperopolis, California, or such other place as he may in writing designate. Provided, however, that in the event of Lessee assigning his rights under this contract, he will notify the Lessor of the place and person or persons who shall be served with notice.

Five (5) days after the date of mailing, as shown by the receipt of the mailing, shall be deemed the date of receipt of notice.

12. Time is expressly made of the essence of this agreement and should Lessee fail to make any percentage royalty payment herein specified, or fail to keep or perform any of the covenants herein contained by him to be kept and performed, and fail to remedy such default within the time hereinafter provided, this agreement shall, at the option of the Lessor, terminate and Lessor may in such event re-enter upon said premises, repossess the same as in its former estate, and remove all persons therefrom, using necessary force so to do. In any such event, all sums of money therefofore paid as royalty or as installments of the purchase price shall be retained by the Lessor as rental and as liquidated damages for the nonfulfillment of this agreement. It is understood and agreed, however, that in the event the Lessee delay in making any payment required to be made hereunder or in performing any work or act required to be performed hereunder is caused by strikes, shortage of labor, shortage of materials, lockouts, riots, storms, acts of God, war, governmental regulations or restrictions or other casualty or cause beyond the control of the Lessee, the Lessee is hereby granted an extension of time for making such payment or performing such act or work equivalent to the time he

was so delayed. In the event that the Lessor determines that the Lessee has failed to make any payment due hereunder or has committed any act or has omitted doing any act entitling the Lessor to cancel this agreement and forfeit all rights of Lessee hereunder, written notice of such alleged nonpayment or of such alleged act or acts of omission or commission shall be given Lessee who shall have thirty (30) days from the receipt of such notice to cure the default alleged.

13. In the event of the termination or cancellation of this lease and option, the Lessee shall have the right to remove within sixty (60) days after such termination or cancellation, all ores broken and all concentrate products thereof, and may remove any and all equipment, apparatus, machinery and personal property of every kind or character brought or placed upon the properties by the Lessee during the term hereof, whether the same shall have been affixed to the realty or not. If not so removed within such sixty (60) days then and in that event, all of such property shall be and become the property of the Lessors.

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

15. It is mutually understood and agreed that the obligation to perform hereunder is condition upon a title search being made to the property and it appearing therefrom that title thereto is vested in the Jackson D. McCarty Company. Such title search shall be made forthwith and if such title search shows that the title to said property is not vested in the Jackson D. McCarty Company, that then and in that event, this Agreement shall be null and void. Such title search shall be commenced and completed before January 1, 1951.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

JACKSON D. MC CARTY CO.,

BY P. L. McCarty Vice President.

BY Agnes McCarty Erion Secretary.

Lessors.

Lessee.

EXHIBIT "A"

That certain mining claim known as the "CALAVERAS COPPER MINE" located in the Copperopolis School District in the County of Calaveras, State of California, being more particularly described as Mineral Entry #13, Lot 37 in Sections 2 and 3, Township 1 North, Range 12 East, containing 41.31 acres more or less.

STATE OF CALIFORNIA)
SS
COUNTY OF SAN JOAQUIN)

On this 2 day of ~~September~~ October, 1950, before me, the undersigned, a Notary Public in and for said County and State, personally appeared G. B. McCarty Vice and _____, known to me to be the President and Secretary, respectively, of Jackson D. McCarty Co., a corporation, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the County and State aforesaid, the day and year in this certificate first above written.

Notary Public in and for the County of San Joaquin, State of California

My Commission Expires December 17, 1950

STATE OF CALIFORNIA)
SS
COUNTY OF SAN JOAQUIN)

On this _____ day of September, 1950, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Charles B. Wood, personally known to me to the person described in and whose name is subscribed to the foregoing instrument and he duly acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand affixed my official seal at my office in the County and State aforesaid the day and year in this certificate first above written.

Notary Public in and for the County of San Joaquin, State of California

My Commission Expires _____

ASSIGNMENT

THIS ASSIGNMENT, made and entered into this 1st day of November, 1950, by and between CHARLES B. WOOD and CELESTA M. WOOD, his wife, (hereinafter collectively referred to as "Assignors") and RONNIE B. SMITH (hereinafter referred to as "Assignee"),

W I T N E S S E T H:

WHEREAS, Assignors are the owners and holders of the rights and interests created in their favor by virtue of that certain mining lease and option to buy dated October 2, 1950, by and between Jackson D. McCarty Co., a California corporation, as Lessor, and Charles B. Wood, as Lessee, recorded in the County of Calaveras, State of California on November 6, 1950 in Book 64, Page 1 of 4 (which mining lease and option to buy is hereinafter referred to as said "Lease-Option Agreement"), and

WHEREAS, Assignors desire to assign to Assignee and Assignee desires to acquire the Lessee's interest under said Lease-Option Agreement and the leasehold estate created thereby,

NOW, THEREFORE, in consideration of the sum of ten dollars ($10.00) and other good and valuable consideration, receipt and adequacy of which is hereby acknowledged, Assignors do hereby sell, convey, assign, transfer and set over unto Assignee, his successors and

assigns, said Lease-Option Agreement, the leasehold estate created thereby and all other rights and interests vested in Assignors, or either of them, by the terms and provisions thereof. The land demised and affected by said Lease-Option Agreement and which is the subject of this assignment, is situated in the County of Calaveras, State of California, and is more particularly described as follows:

> That certain mining claim known as the "CALAVERAS COPPER MINE" located in the Copperopolis School District in the County of Calaveras, State of California, being more particularly described as Mineral Entry #13, Lot 37 in Sections 2 and 3, Township 1 North, Range 12 East, containing 41.31 acres more or less.

This assignment is subject to the following terms and provisions:

1. Assignee shall have the right at any time and from time to time to quitclaim or surrender all or any portion of the rights and interests covered by said Lease-Option Agreement. Provided, however, that if Assignee at any time desires to quitclaim or surrender said rights or interests, he shall first notify Assignors in writing and Assignors may elect within a period of five days after the giving of said notice to accept a reassignment of said Lease-Option Agreement and all rights and interest thereunder. In the event that Assignors shall fail to notify Assignee in writing within said five day period that Assignors elect to accept such reassignment, Assignee may quitclaim or surrender said Lease-Option Agreement and all rights and interests thereunder direct to the Lessor. In the event that Assignors shall elect

to accept a reassignment of said Lease-Option Agreement, Assignors shall, from and after the date of such election, assume and perform each and all of the terms, covenants and conditions of said Lease-Option Agreement and shall indemnify and hold Assignee harmless from any and all further obligations and liabilities pursuant to or connected with said Lease-Option Agreement or any rights, interests or obligations thereunder.

2. Assignors warrant and represent that said Lease-Option Agreement is a valid subsisting agreement in full force and effect according to its terms, and that the validity of said Lease-Option Agreement is not subject to attack for any reason or by the Lessor or anyone claiming by or through the Lessor, and that there are no defenses to the enforcement of said Lease-Option Agreement which might impair or impede the enjoyment by Assignee of his rights and interests thereunder. Assignors further warrant and represent that said Lease-Option Agreement and the land and other interests covered thereby are free and clear of any royalties, reservations, liens or encumbrances made or suffered by Assignors. Assignors hereby agree to indemnify and hold Assignee harmless of and from any loss, cost or expense incurred by reason of the breach of any of the foregoing warranties.

3. Any notice required or permitted to be given hereunder may be given by registered mail addressed

to Assignors or Assignee, as the case may be, at the following address or at such other address as the respective parties may from time to time designate in writing:

To Assignors at: Box 43, Copperopolis, California;

To Assignee at: c/o Petroleum Reserve Corporation, Tower Petroleum Building, Dallas, Texas.

Any notice so given shall be deemed to be effective for all purposes at the expiration of forty-eight hours after deposit thereof in any United States Post Office within the United States with first class postage and registry fee therefor fully paid.

4. The terms "Assignors" and "Assignee" wherever used herein shall include, and all the terms and provisions hereof shall bind and inure to the benefit of, the legal representatives, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this assignment the day and year first above written.

Charles B. Wood

Charles B. Wood

Celeste M. Wood

Celesta M. Wood
"Assignors"

Ronnie B. Smith

Ronnie B. Smith
"Assignee"

STATE OF CALIFORNIA)
) SS:
County of _____)

On this ____ day of _____, 1950, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHARLES B. WOOD and CELESTA M. WOOD, personally known to me to be the persons described in and whose names are subscribed to the foregoing instrument, and they duly acknowledged to me that they executed the same.

WITNESS my hand and official seal.

_____
Notary Public in and for said County and State.

STATE OF _____)
County of _____) SS:

On this ___ day of _____, 1950, before me, the undersigned, a Notary Public in and for said County and State, personally appeared RONNIE B. SMITH, personally known to me to be the person described in and whose name is subscribed to the foregoing instrument, and that he duly acknowledged to me that he executed the same.

WITNESS my hand and official seal.

_____
Notary Public in and for said County and State.

Note

In connection with the foregoing McCarty Lease, the present holder, Mr. Ronnie B. Smith, has agreed that prior to assignment to Sierra Copper Company, he will assign and convey and vest in Charles B. Wood, Roy G. Mead and M. Carroll Smith, each, a one and one-half per cent ($1\frac{1}{2}\%$) royalty interest, payable out of the gross proceeds of ores and/or minerals mined and milled from the lands concerned.

MINING LEASE

THIS MINING LEASE made on this 29 day of March, 1951, by and between HERMAN L. DONNER, of Milton, California, as lessor, and RONNIE B. SMITH, of 2106 Tower Petroleum Building, Dallas, Texas, as lessee,

WITNESSETH:

That lessor in consideration of the sum of Twenty Five Hundred Dollars ($2500) paid upon the execution hereof, the receipt whereof is hereby acknowledged, and the payments provided for herein and the faithful performance of the terms, conditions, covenants and agreements herein agreed to be kept and performed by lessee, does hereby lease and let unto said lessee for the term hereinafter specified, and for the sole purpose of prospecting, developing, mining and working the rock and ores therein for the gold, copper and other precious metals therein contained, as hereinafter provided, all that certain real property situated in Secs. 33 and 34, T. 2 N., R. 11 E., M. D. B. & M., in Calaveras County, California, and particularly described as follows:

Beginning at the SW cor. of the SE 1/4 of said Sec. 33, thence running northerly along the westerly boundary line of the E½ of said Sec. 33 to a point thereon formed by the intersection thereof with the northerly projection of the easterly line (being the 2nd course of the description therein) of that certain parcel of land described in and conveyed by the deed from George Callahan, et al., to Herman Lee Donner, dated July 24, 1942, and recorded on August 7, 1942, in Book 24 of Official Records at page 214, et seq., Calaveras County Records; thence S. 46°54' E. to a point in the southerly boundary line of the SW 1/4 of SW 1/4 of said Sec. 34, being the point thereon formed by the intersection thereof with the southerly projection of the easterly line of said above mentioned parcel of land described in and conveyed by said above mentioned deed recorded on August 7, 1942, in Book 24 of Official Records at page 214, et seq., Calaveras County records; thence westerly along the southerly boundary line of said Secs. 33 and 34 to the point of commencement, and containing 120 acres, more or less, inclusive of the parcel of land containing 40.230 acres, more or less, described in the above mentioned deed recorded in Book 24 of Official Records at page 214, et seq., Calaveras County Records.

Together with all leads, lodes and veins of quartz and other rock in place that lie or apex therein and all

the dips, spurs and angles thereof, including the right to follow the same extralaterally on their downward course into and under the adjoining premises as mentioned and provided in the deed to Herman Lee Donner recorded in Book 36 of Official Records at pages 377 & 378, Calaveras County Records.

Also Together with all rights of ingress and egress owned by lessor over adjoining lands.

TO HAVE AND TO HOLD the said premises unto said lessee for the term of fifteen (15) years from the date hereof, so long as said lessee shall fully and faithfully perform each and all of the terms, conditions, covenants and agreements hereinafter contained, it being agreed, however, that in the event said lessee shall have fully and faithfully performed each and all of the terms, conditions, covenants and agreements herein contained during the original term hereof he shall have and is hereby given the right and option of renewing this mining lease and agreement for an additional period of fifteen (15) years under the same terms, conditions, covenants and agreements as herein set forth excepting that there shall be no option for any renewal or extension of the said term thereof.

Said parties hereto do hereby mutually covenant, promise and agree as follows, to-wit:

1. Lessee shall have the exclusive right during the term of this lease of entering into and upon the lands hereby leased for the purposes above mentioned with the right of installing machinery and mining equipment and erecting buildings and improvements thereon as may be deemed expedient by lessee for exercising the rights hereunder given.

2. Lessee shall have the right to mill or otherwise reduce the ores from said premises or to ship the same to some responsible smelting company made known to lessor for the purpose of obtaining the copper, gold and other precious metals and values therefrom, the proceeds as soon as determined to be divided and paid to the respective parties hereto in the manner as follows:

(a) Ten per cent (10%) of the proceeds from copper and all precious metals recovered from all unmilled ores shipped from mine to smelter for treatment shall be paid to lessor and ninety per cent (90%) thereof to lessee;

(b) Eight per cent (8%) of the proceeds from copper and all precious metals recovered from the concentrates of milled ores shipped from mine to smelter for treatment shall be paid to lessor and ninety two per cent (92%) thereof to lessee; and

(c) In addition to the foregoing royalty payments provided in sub-paragraphs (a) and (b) above, lessee agrees to pay lessor fifty per cent (50%) of said proceeds from copper and all precious metals recovered from all ores and minerals shipped from said property and premises until such time as lessor has been paid the total sum of Twenty Five Hundred Dollars ($2500), whereupon all subsequent royalty payments shall be as above provided in sub-paragraphs (a) and (b) hereof.

In the payment and division of the proceeds as above mentioned it is agreed that the same shall be based upon smelter recovery with reductions only for the costs of railroad transportation and treatment of the ores at smelter and paid to lessor within fifteen (15) days after said proceeds are received from the smelter company with a duplicate receipt of the smelter company statement or report therewith.

3. Lessee agrees to pay to lessor, as a condition for keeping this agreement in force and effect, the sum of Three Hundred Dollars ($300) per month commencing six (6) months after the date of this lease and continuing monthly thereafter during the life of this lease, it being agreed, however, that if and when any royalties are paid as hereinabove provided, then lessee shall be entitled to credit said royalties against the monthly payment due under this paragraph for the month only in which said royalties are paid, but not to any of the prior or subsequent monthly payments made or payable under this paragraph.

4. Lessee agrees that all work of mining and developing said property under this lease shall be done in a good and workmanlike manner so as to develop said property as a mine for permanent future mining operations and that all of such work shall be without cost, charge or expense to lessor or to said property.

5. Lessee agrees to commence the active work of mining and developing said property within thirty (30) days from the date of this lease and to thereafter continuously mine and develop said property during the life of this lease by doing and performing monthly not less than 75 shifts of mining work, except when interrupted by act of God, action of the elements, strikes, riots, picketing or lockouts, and in such event reasonable diligence will be used to remove the cause of interruption and resume work at the earliest possible moment.

6. Lessee agrees to keep all workmen fully insured under and in compliance with the Workmen's Compensation Insurance and Safety Act of California during operations hereunder and to comply also with all other laws, rules and regulations, both State and Federal, governing mining operations and to conduct all work hereunder in accordance with good mining standards and methods and to promptly pay all bills for labor performed and for equipment, materials, supplies, electric energy, water and/or utility furnished on said lands during the term hereof and to keep said lands free and clear of all labor, mechanics' and other liens and to that end will keep posted on said lands where any work is being performed, or equipment, materials, supplies or utilities furnished, such notice or notices of non-responsibility on behalf of lessor as said lessor may desire and furnish to lessee, it being agreed, however, that lessor also reserves the right during the life of this lease to post and keep posted a notice or notices of non-responsibility of lessor and of said premises for any work or labor performed or for materials furnished to be used in connection with mining operations hereunder in or upon said premises.

7. It is agreed that at all times that lessee shall carry on mining operations during the life of this agreement said lessee shall keep full, true and correct books of account, statements,

vouchers, smelter returns and receipts at an office kept in Calaveras County, California, pertaining to mining operations conducted hereunder, and particularly showing the amount of ores reduced and the gross proceeds of copper, gold and other precious metals derived therefrom, and said lessor or his duly authorized agent shall at all reasonable times have free access to all parts and portions of said mining property and premises, real and personal, and to any mill or other reduction works where said ores are treated, crushed or reduced for the purpose of examination and inspection and shall be entitled to take samples of ores and to examine all books of account, statements, vouchers, smelter returns and receipts agreed to be kept as hereinabove provided.

8. It is agreed that lessee shall have sixty (60) days from and after the termination of this agreement without purchase within which to remove such mining machinery, tools, appliances and equipment as may hereafter be placed in and upon said mining property and premises by lessee, and in the event that said mining machinery, tools, appliances and equipment shall not be removed within said period of sixty (60) days then and in that event the same shall be deemed affixed to the realty and become a part thereof and belong to lessor, it being expressly agreed, however, that lessee shall not be entitled to exercise any of the rights of removal under this paragraph until all sums due and owing to lessor under any of the terms and provisions hereof shall have first been fully paid.

9. It is agreed that lessee, during the life of this agreement, shall pay all taxes, prior to delinquency, that shall be levied or become due and payable upon any improvements or personal property placed upon said mining property and premises by lessee and also upon said mining property and premises hereby leased, inclusive of the current taxes for 1951-52, which are now a lien upon said property but not yet assessed or levied.

10. It is agreed that the terms and conditions of this lease, insofar as the lessee shall be required to operate, mine and develop said premises is optional with said lessee, who shall have the right at any time to discontinue and cease said work hereunder whereupon said lessor shall be entitled to resume possession of said premises and real property, free and clear of any and all claims hereunder.

11. Lessee agrees that in the event he desires to terminate or abandon this lease as herein provided that he will execute and deliver to lessor a duly executed quitclaim deed fully releasing the property from the effects of this lease.

12. It is agreed that all of the surface and grazing rights of said property and premises for agricultural and stock raising purposes and uses are reserved and excluded from the operation of this lease but excepting, however, so much of the said surface thereof as is reasonably necessary and required for the erection and construction of surface plants for mining operations thereon, including the erection of all necessary buildings, mills, and other improvements for extracting and reducing the ores from said premises during the course of mining operations hereunder and for roads, power lines, telephone lines, pipe lines, ditches, water storage tanks or ponds, ore and waste dumps, tailings piles and other necessary appurtenances for mining operations hereunder.

13. It is agreed that during the life of this agreement lessee shall not damage any of the livestock grazing upon said property and premises hereby leased or any of the grazing and agricultural rights reserved and excepted from the operation of this lease as aforesaid and shall keep, at all times, all of the main workings and shafts and excavations, water storage tanks or ponds, ore and waste dumps, tailings piles and other mining appurtenances installed in and upon said premises for mining operations here-

under fenced off, or otherwise protected against livestock becoming injured thereby, and will conduct mining operations hereunder at all times with reasonable regard for and protection of the said grazing and agricultural rights of lessor which are being reserved and excluded from the operation of this lease and are now actually under lease to third parties.

14. It is agreed that all ores and rock obtained from said property and premises and the products or concentrates therefrom shall be kept separate and apart from those obtained from other properties by lessee in the shipment and treatment thereof for the purpose of obtaining the copper and all precious metals therefrom.

15. It is agreed that time is of the essence of this lease and of each and all of the payments to be made and of each and all of the terms, provisions and conditions hereof and in the event that lessee shall at any time fail to perform or carry out any of the terms, conditions and agreements herein imposed upon lessee or make any of the payments provided herein within thirty (30) days after notice in writing from first party to perform as herein provided and required, mailed to lessee at 2106 Tower Petroleum Building, Dallas, Texas, then this lease shall immediately cease, end and terminate at the option of lessor, and all further rights of said lessee in and to said premises hereunder shall at once and immediately become terminated and all payments theretofore made hereunder shall be retained by lessor as the property of lessor and said lessor shall have the right to immediately enter into and upon said premises and remove all persons therefrom and take immediate and exclusive possession thereof and any and all mining and other machinery and equipment of every kind or nature placed in and upon said property or used thereon during operations hereunder shall upon forfeiture, surrender, termination or abandonment of this mining lease, be removed within sixty (60) days

thereafter, as hereinabove provided, and if not so removed the same shall then be and become a fixture and part and parcel of the real property and belong to said lessor.

16. Lessor agrees to use his best efforts to assist lessee in acquiring rights of ingress and egress over adjoining properties which are not owned by him but lessor shall have no obligation to incur any cost or expense in connection therewith and if and when lessee shall acquire and/or construct, at his expense, an all-weather road to and from said property and premises then this paragraph shall be of no further force or effect except that lessee shall have continuing rights, during the life of this lease, to use such road at his risk and expense for the purposes herein provided, it being agreed, however, that any such road shall be and become appurtenant to and a part of the real property and premises of lessor.

17. It is agreed that lessee may assign or transfer this lease, but no assignment or transfer shall be valid or effective until lessor receives a notice in writing of the name and address of such assignee or transferee and, subject to the provisions of this paragraph, this lease shall inure to the benefit of and be binding upon and enforceable by the respective legal representatives, successors and assigns of the parties hereto.

DATED AND EXECUTED on the day and year first above written.

Herman L. Donner
Lessor

Ronnie B. Smith
Lessee

STATE OF CALIFORNIA)
) ss.
COUNTY OF CALAVERAS)

On this 4th day of ~~March~~ April, 1951, before me, the undersigned Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared HERMAN L. DONNER, known to me to be the person described in and whose name is subscribed to the within instrument, and he acknowledged to me that he executed the same.

WITNESS MY HAND AND OFFICIAL SEAL on the date in this certificate first above written.

Virgil M. Airola
Notary Public in and for the
County and State aforesaid. (SEAL)

~~STATE OF~~ CITY Washington)
~~COUNTY OF~~ DISTRICT Columbia) ss.

On this 29th day of March, 1951, before me, the undersigned Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared RONNIE B. SMITH, known to me to be the person described in and whose name is subscribed to the within instrument, and he acknowledged to me that he executed the same.

WITNESS MY HAND AND OFFICIAL SEAL on the date in this certificate first above written.

Mary Whiston
Notary Public in and for the
County and State aforesaid.

(SEAL)

My Commission Expires Aug. 31, 1953.

Note

In connection with the foregoing Donner lease, the present holder, Mr. Ronnie B. Smith, has agreed that prior to assignment to Sierra Copper Company, he will assign and convey and vest in Charles B. Wood, Roy G. Mead and M. Carroll Smith, each, a one per cent (1%) royalty interest, payable out of the gross proceeds of ores and/or minerals mined and milled from the lands concerned.

ROY G. MEAD
CONSULTING ENGINEER AND GEOLOGIST
LOS ANGELES

REPORT ON

"CALAVERAS COPPER MINE" OR SO-CALLED MCCARTY PROPERTY

The McCarty property consisting of two patented mining claims, embracing an area of 41.31 acres designated as Mineral Entry No. 13, Lot 37, situated in portions of the W½ of Section 2 and the NW¼ of Section 3, T. 1 N., R. 12 E., is located about one mile southeast of the town of Copperopolis, Calaveras County, California. Copperopolis is reached from Stockton over California State Highway No. 4, a distance of approximately 40 miles, or from Modesto to Farmington, a distance of 18 miles, thence easterly on Highway No. 4.

The topography of the area is characterized by a low southeasterly trending ridge with shallow ravines on the northerly and southerly flanks. The surface elevation ranges from 950 feet on the northwest to 900 feet on the southeast. The area under consideration is shown on the accompanying map, marked Plate I, a photostat of a portion of the following quadrangles - "Copperopolis", "Valley Springs", "San Andreas" and "Bachelor Valley".

A detailed study of the history, production and geology of the Copperopolis area was made by George R. Heyl, a geologist with the United States Geological Survey during the period 1942 to 1945. Mr. Heyl's report was published during the year 1948 in Bulletin No.144, entitled "Copper in California", by the Division of Mines, State of California. The following data relative to the history and geology is quoted from the aforesaid Bulletin No. 144.

> "Within and adjacent to the village of Copperopolis (pl. 1), in western Calaveras County, is a group of mines that have been among the significant contributors to the copper production of California since 1861. These include the North Keystone mine, which recently has been the second-largest copper producer in the state, and the Keystone-Union, a major producer in earlier years, representing a consolidation of the original Union and Keystone properties. Southeast of these is the Empire mine, a smaller development whose production record is not available, and two prospects known as the McCarty and the Calaveras mines. All of these are developed in a strongly mineralized belt designated the Reed lode, which passes through the town of Copperopolis and trends northwest." (Paragraph 1, Page 94).

"The Copperoplis mines have been among the significant producers of copper in California since 1861 with a total production of about 72 million pounds of copper. The mines include the North Keystone mine, second largest copper producer in the state during World War II, and the Keystone-Union mine, a major producer in earlier years." (Page 93).

"Copperopolis was founded in September 1861, and less than 2 years afterward the town had grown to a thriving community of nearly 2,000 people, supported primarily by copper mining and related pursuits. The Union mine was a profitable enterprise from the very beginning of mining operations, and by the fall of 1866 had been developed to a depth of 500 feet. It was then the largest copper mine in the state, and had yielded more than half the total California production for the years 1861-66. The adjoining Keystone mine, by 1867, was developed to a depth of 552 feet, but its recorded production for the 6 previous years was only about a tenth of that of the Union mine. The Empire mine likewise underwent considerable development during this period, but on most of the other claims in the district the amount of underground exploration was small." (Paragraph 1, Page 95).

"In these early days the ore was hauled by wagon to Stockton, from there was shipped by river-boat to San Francisco, whence it was exported to Atlantic Coast ports or to Swansea, Wales. Shipping costs were high, causing all ores of less than 10 percent to be valueless. Attempts to utilize lower-grade ores were made by the erection of a smelter at the Union mine, and a concentrating plant at the Keystone mine, but in neither case were these operations profitable. The average tenor of ore shipped from the Union mine did not exceed 15 percent copper, and that from the Keystone averaged about 1 percent higher. By roasting over wood fires, the tenor of some lower-grade material was increased to that of commercial grade." (Paragraph 2, Page 95).

"By 1887 the Union and Keystone mines were held under one ownership by a group of Boston men. These properties had been idle since 1867, but during 1887 and 1888 they were unwatered. This was followed by a second period of activity, in which the Union shaft was sunk to 600 feet, a 100-ton Orford furnace was erected, and some high-grade matte was produced. The properties were shut down in 1892, and remained idle until 1901 when unwatering was again started.

The Keystone-Union mine, operated as a unit, was active in the years 1902-09, 1911-20, 1923-27, and 1929-30. During the earliest of these intervals the ore was treated by leaching and by direct smelting. Since 1911 the treatment has been either direct smelting or concentration and smelting. In August 1930, in response to a marked decrease in the price of copper, the mine was shut down; it has not reopened since that date. During 1944-46 tailings from earlier operations were reworked for their copper content." (Paragraph 5, Page 95).

"The North Keystone mine was again unwatered in 1942, and production of ore began in the fall of that year. It continued to operate until the summer of 1945, by which time it had been developed to the 1075 level. During these years it was the second-largest producer of copper in California." (Paragraph 2, Page 98).

"The most important mines and prospects at Copperopolis are, from north to south, the North Keystone mine, the Keystone-Union mine, the Empire mine, and the McCarty and Calaveras properties. Of these, the Keystone-Union and the North Keystone have been the most active mines and the major producers in the district." (Paragraph 1, Page 102).

"In recent years the North Keystone has been the only one accessible for extensive underground examination, and consequently most of the conclusions relating to the geology of the ore bodies have been based on observations made in this mine. However, to supplement the study of the ore deposits as much as possible, assay sheets and maps of other mines in the district, and several accessible shallow openings, as the Empire tunnel and the McCarty shaft, have been studied in detail." (Paragraph 1, Pages 102 and 103).

"Southeast of the Keystone-Union mine is the Empire claim, on which is the inactive Empire mine with no reported production since 1867. It consists of a vertical shaft, said to be more than 300 feet deep, and several levels of unknown extent. Near the shaft and toward the south end of the claim are many smaller openings--shafts, pits, and adits--the most important of which is the Empire tunnel. This was the only opening on the claim accessible for extensive examination." (Paragraph 2, Page 108).

"Southeast of the Keystone-Union mine the zone of intense chloritization continues without interruption, and near the Empire shaft reaches its greatest width, approximately 300 feet." (Paragraph 3, Page 108).

"About 150 feet southwest of the Empire shaft collar is an elongate serpentine body whose eastern boundary is a prominent fault line marked by talcose gouge. This is the Calaveras fault, a high-angle, east-dipping fault that can be traced along its strike for more than 2,000 feet. It is analogous in many respects to the Footwall fault of the central and northern part of the district, for here the zone of chloritization, in a general way, has followed it, and the copper mineralization is most strongly developed along this fault or in its hanging wall." (Paragraph 4, Page 108).

"The Empire tunnel is an adit about 420 feet long driven through the mineralized zone near the south end of the Empire claim. It has been mapped in detail (pl. 40), and sampled for ore." (Paragraph 5, Page 108).

"The McCarty prospect is on the Calaveras claim, immediately south of the Empire claim. It consists of two shallow shafts, the southern one 35 feet deep, the northern one partially caved and of undertermined depth. Extending northwest from the southern shaft are two short levels connected by an irregular open stope, near the north end of which is a winze that extends below water level." (Paragraph 2, Page 109).

"The accessible workings are within the oxidized zone, the base of which, at the McCarty prospect, is approximately at 50 feet depth, the position of the water table. The mineralization follows a 2- to 7-foot zone of crushing and shearing along the southwest side of a high-angle fault; this, the McCarty fault, strikes parallel to the related Calaveras fault which is 20 to 25 feet to the east. At the surface the McCarty fault dips east. In the underground workings, however, the fault swings through vertical and has a steep westward dip. It is possible that this reversal of dip has served as a locus of mineralization here." (Paragraph 3, Page 109).

"The ore consists of a mixture of malachite and cuprite in limonite, with small amounts of azurite and, in the lower portion of the workings, chalcopyrite. Encrustations of chalcanthite are not uncommon. This oxidized material is derived from a mixture of chalcopyrite and pyrite, small residual masses of which are present below 20 feet depth. No gangue minerals were observed, other than small veinlets of white quartz." (Paragraph 4, Page 109).

"The wall rocks are green spotted chlorite schist derived from volcanic rocks of intermediate composition. Within the zone of copper mineralization are thin streaks of intensely chloritized rock, similar in character to the chloritized schist present at the North Keystone and Keystone-Union mines. The chloritization is restricted to a width of 3 to 4 feet adjacent to the McCarty fault." (Paragraph 5, Page 109).

"Several of the ore bodies in the mines do not crop out, and the likelihood is strong that additional blind shoots are present in the district. Exploration for these should be restricted to the belts of strong chloritization, and particularly to ground adjacent to faults or close to the intersection of faults. Where surface exposures are poor and underground examination impractical, geophysical methods, such as dip-needle or magnetometer surveys, will probably be of considerable aid in the delineation of significant faults. Special attention should be devoted to areas in which pyritization is strong, for the known ore bodies are generally surrounded by an envelope of disseminated pyrite. The ground immediately north of the North Keystone mine, and that at the south end of the Keystone-Union mine, in light of present knowledge, are two areas that should warrant the most thorough prospecting." (Paragraph 2, Page 110).

The writer has examined the McCarty property and studied the outcropping rocks and the material taken from the three shafts on the property on several occasions. The gossan or oxidized iron outcrop is approximately 300 feet in width and is more prominent and wider than the gossan outcrop on the Union or Keystone properties. Samples of copper and iron sulphides exposed on the dump at the shafts indicate that copper sulphide ores should be encountered at or just below the water level which is approximately sixty feet below the surface at the McCarty No. 3 shafts.

There are two shafts located near the northwest corner of the property, both inaccessible. It is reported that the two shafts were connected by a drift just above the water level, or approximately 60 feet below the surface and that a winze from the drift extends below the water level, and also an open stope above the drift, from which several hundred tons of oxidized ore was extracted.

The No. 3 shaft is located approximately 250 feet easterly from the aforesaid shafts, also inaccessible. It was sunk on the Calaveras fault which dips at an angle of 83 degrees from the horizontal. This shaft is reported to be seventy-five feet deep.

It is proposed to timber the No. 3 shaft and sink it to a depth of 100 feet below the surface, then crosscut the mineralized zone to the northeast and southwest. This work should disclose copper sulfide ores below the water level, which could be extracted up to the overlying leached and oxidized zone and also furnish the data for future development. This assumption is based on the history of operations of the Empire, Union and Keystone properties, located along the same mineralized zone where commercial sulfide copper ores were encountered at and below the water level. The inside measurements of the shaft when timbered will be a 4'6" x 4'6" skip compartment and a manway 4'6" x 2'10". The inclination will be 80 degrees from the horizontal to the northeast.

A 75 horsepower electric motor driven hoist, a 3 drill electric motor driven air compressor and approximately one-fourth of a mile of electric power line will be the power requirements. A headframe skip pump, ore cars, rails and water tank, all necessary pipe and mining tools, will also be required.

With the aforesaid equipment and the crosscuts and drifts from the 100 foot level completed, it is expected that approximately 50 tons of copper sulfide ore can be extracted daily until such time as a second level has been made ready for stoping when the tonnage should be increased to 100 tons per day.

It is proposed to mill and concentrate the ore obtained from the No. 3 shaft at the Mountain King Mill, which is located in the district approximately three and one-half miles due west of the No. 3 shaft, which is reached by a surfaced road with no grades, a distance of six miles. The location of the mill and road is shown in red on Plate I.

The Mountain King Mill, consisting of 3 ball mills, flotation cells and filters completely powered with electric motors, has a maximum capacity of approximately 600 tons of ore per day. The mill was successfully operated during World War II to concentrate copper sulfide ore from the North Keystone property. The reported extraction was 95% of the copper contained in the ore. The concentrates were hauled by truck to Farmington, a distance of twenty miles from which point they were shipped by rail to the smelter at Salt Lake City, Utah. The ramp at Farmington belongs to the Mountain King Mill and is in good condition.

Negotiations are being consumated to lease the Mountain King Mill to concentrate copper sulfide ores from the McCarty property. The minimum monthly rental will be $1,000.00 per month for a maximum tonnage of 50 tons per day.

The McCarty property is owned by the McCarty Corporation and is now held by Ronnie Smith under a lease dated October 2, 1950 with five percent of the net smelter return payable to the McCarty Corporation and one percent payable to Cyril McCarty until the five percent royalty amounts to $150,000.00, the total purchase price.

It is estimated that the cost of sinking and timbering the No. 3 shaft, driving the crosscuts and the upraises preparatory to stoping operations will amount to approximately $25,000.00.

The estimated cost of the necessary machinery and its installation together with other equipment at the mine and the rearrangement of the facilities for dumping the ore at the mill will amount to approximately $25,000.00.

Mine and mill supplies, lease acquisition and working capital for preliminary exploration work prior to blocking out ore and the installation of machinery will amount to approximately $25,000.

The estimated mining, hauling and milling costs, exclusive of development costs, based on 50 tons per day, are estimated at $5.80 per ton divided as follows: Mining $3.00 per ton, trucking $0.50 per ton and milling $2.30 per ton.

It is believed that copper sulfide ore will be encountered in the workings from the McCarty shaft which will carry copper values, at least, or as high as the ore obtained from the North Keystone and Union mines. This opinion is based on the surface outcrop and the ore exposed in the old workings on the McCarty property.

On the basis of mining and milling 50 tons of ore per day carrying 5% copper, the daily profits would amount to $539.00. The net value per ton is based on the following assumption:

Mill recovery 95% - Copper recovered per ton of ore milled 95 pounds		
Value of 95 pounds of copper at 24½ cents per lb.		$23.27
Freight on concentrates and smelting charges	$ 1.80 per ton	
Royalty - 9%	1.93 " "	
Mining and Milling costs	5.80 " "	
Overhead and general expense	1.25 " "	10.78
Net Profit per ton		$12.49

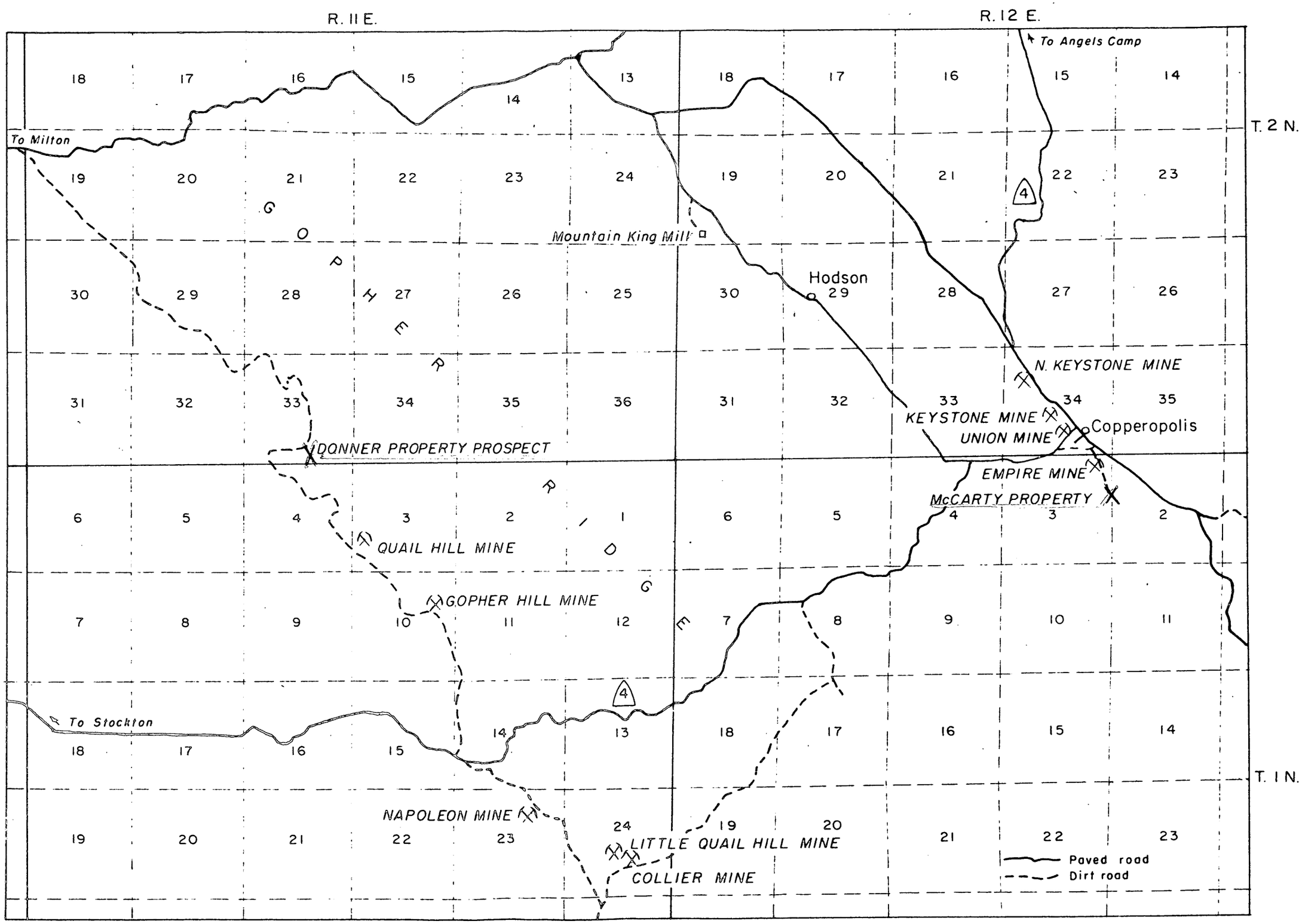
Respectfully submitted,

Roy G. Mead

Roy G. Mead

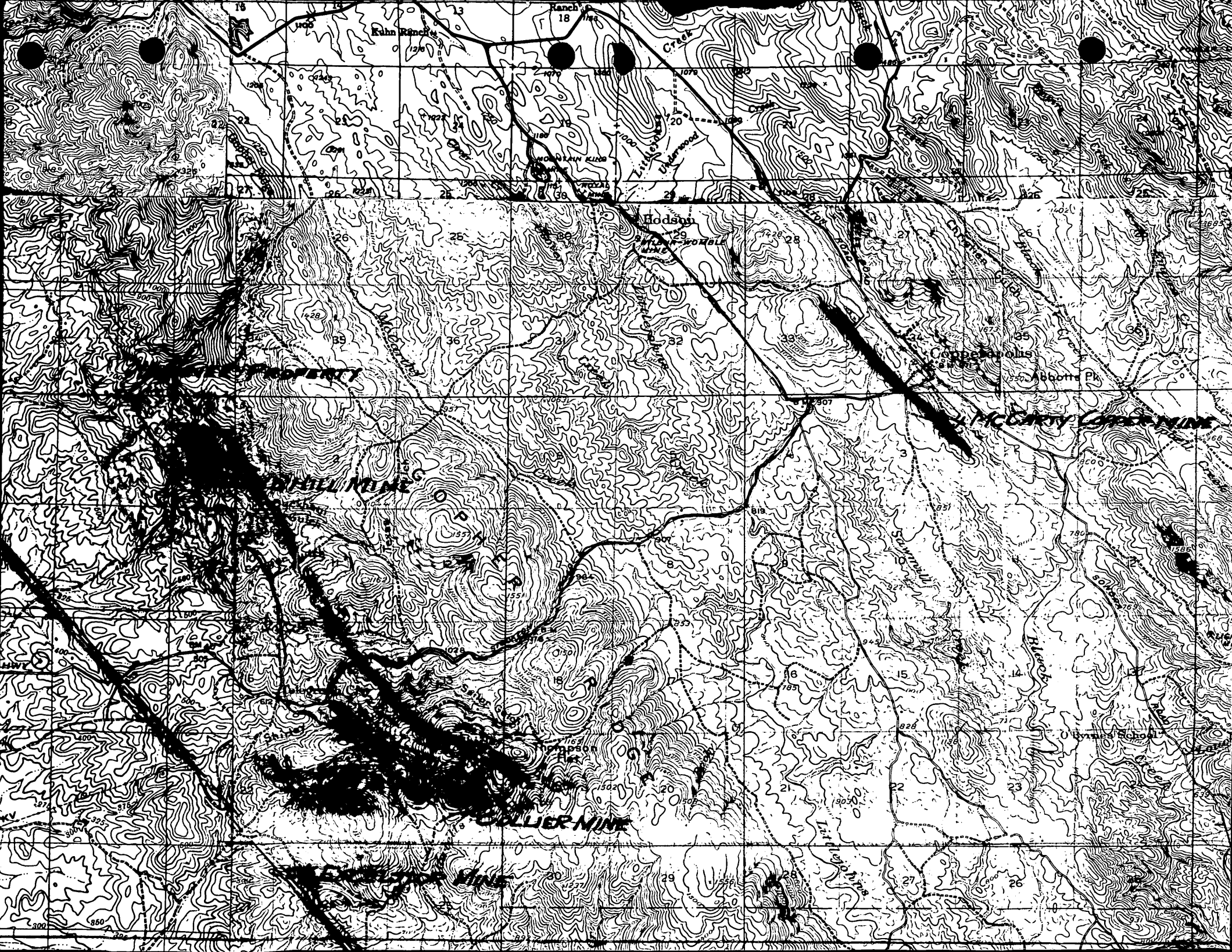
December 3, 1950

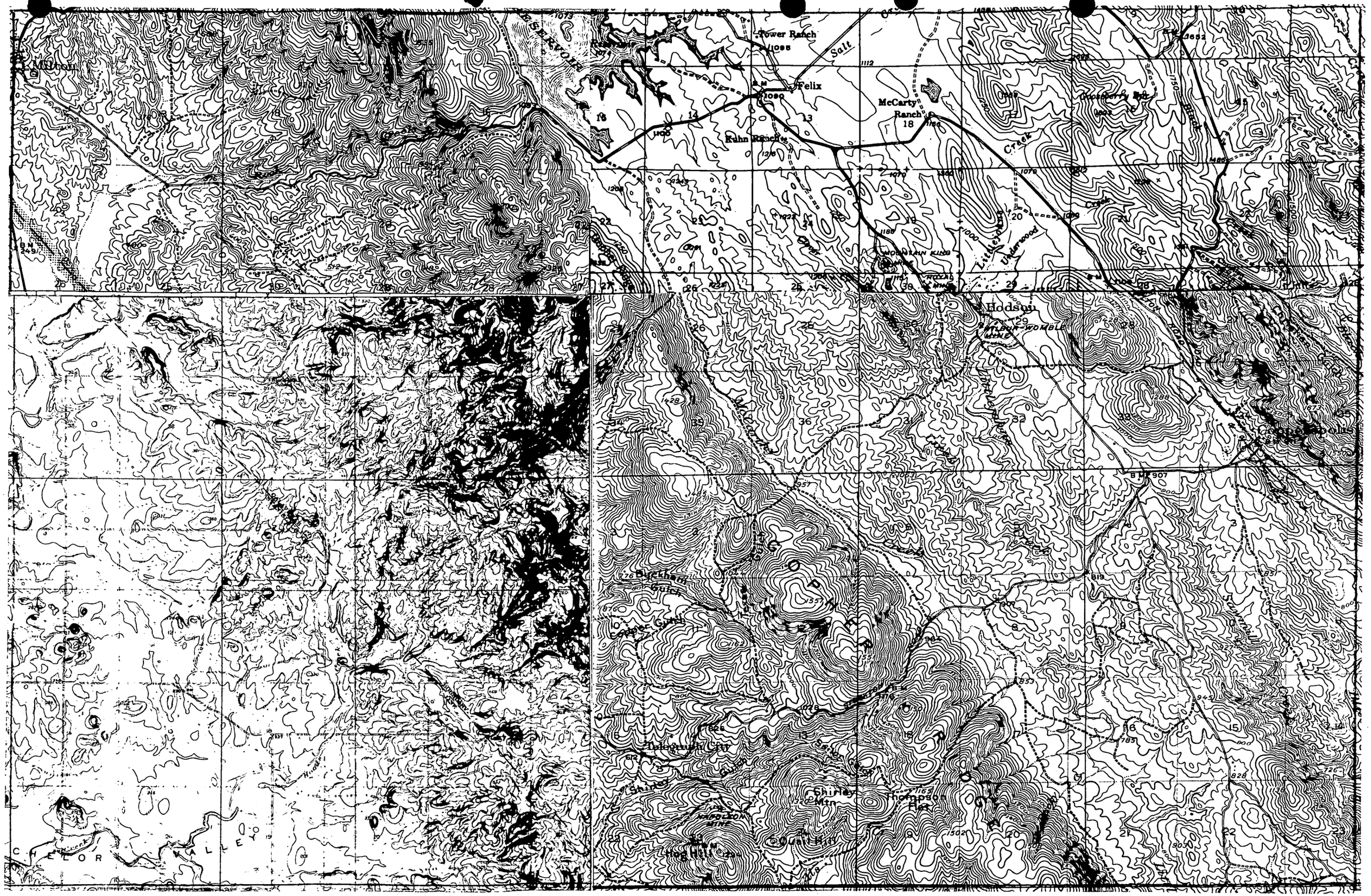
920 Burchett Street
Glendale 2, California



INDEX MAP SHOWING LOCATIONS OF THE DONNER AND McCARTY PROSPECTS WITH RESPECT TO THE CHIEF ROADS, TOWNS, AND MINES OF THE AREA

Fig. 1

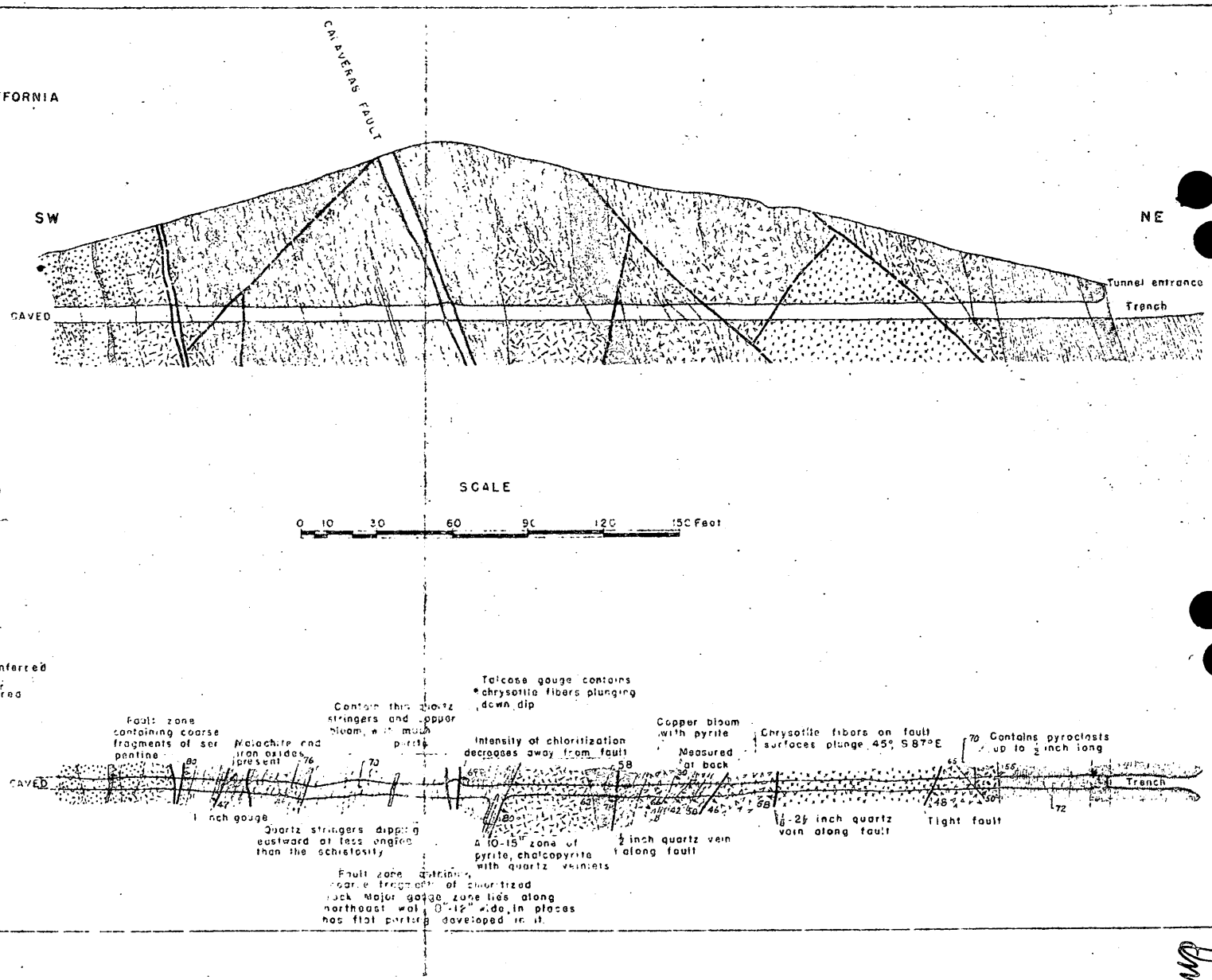

Kuhn Ranch
Hodson
Copperopolis
Abbotts Pk
McCarty Copper Mine
Collier Mine
Excelsior Mine
O'Byrnes School
Sawmill
Underwood
Little Stanislaus
Mountain King Mine
Black Bear Mine
Chinese Camp
Bloody Run
Black Bear
Little Elephants
Shaft
Hwy 1


Milton
Tower Ranch
Salt
Felix
McCarty Ranch
Kuhn Ranch
Creek
Hodson
Buckhorn Gulch
Copper Gulch
Shirley Mtn
Thompson Flat
Hog Hill
CHELOR VALLEY

GEOLOGIC MAP AND SECTION
OF THE
EMPIRE TUNNEL
COPPEROPOLIS, CALAVERAS COUNTY, CALIFORNIA

BY
G. R. HEYL AND M. W. COX

NOVEMBER 1943



EXPLANATION

- Zone of quartz veins
- Pyritized rock
- Chloritized rock
- Granodiorite
- Hornblende diorite
- Hornblendite
- Schistose (sheared) saussuritized gabbro
- Saussuritized gabbro
- Serpentine
- Felsite
- Slaty pyroclastics
- Slate
- Green schist
- Contact, showing dip, dashed where inferred
- Fault, showing dip, dashed where inferred
- Attitude of cleavage or schistosity

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.,
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. SF-DMA-1

Sheet No. 1 of 1

Department of the Interior (Department or Establishment) — Defense Minerals Administration (Bureau or Office) 24-1-1

Received by A. H. Holland, Regional Disbursing Officer (Name, Title) at San Francisco, California (Station)

Period December 1951 (Month or quarter ended) — D. O. Symbol No. 412

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
12/7/51 dated 11/17/51	1	Roy G. Mead (for Sierra Copper Co.) check No. 329	Docket DMA-1131X Contract Idm-E104- Sierra Copper Co., Donner Mine. 1½% royalty on net smelter returns (Shipment #1 $5.90 Shipment #2 $3.73 Total $9.63)	$9.63	14X4401 Revolving Fund, Defense Productio Act, Interior
			Not previously billed		
mtb			Total,	$9.63	

RECEIVED DEC 27 1951 Division of Disbursement SAN FRANCISCO CALIFORNIA

Received _____, subject to collection. Forwarded December 14, 1951

(Disbursing clerk or accountable officer) By _____ (Name)

By _____ Title Chief, Budget & Finance Br. Region III

1222 DEC 27 1951

Certificate of Deposit No. _____ dated _____

U.S. GOVERNMENT PRINTING OFFICE 10—1790

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1978 DEC 29 AM 8:42

SAN FRANCISCO, CALIFORNIA

SF-DMEA-18

MF-104
(April 1951)

Budget Bur[illegible] No. 42-[illegible]1036.
Approval ex[illegible] 6-30-[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 - 1952

No Narrative

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
MAR 29 1:16 PM
SAN FRANCISCO, CALIFORNIA

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

SIERRA COPPER COMPANY
(Name of Company)

By Roy S. Snead
(Signature of Authorized Official)

January 28, 1952
(Date)

Vice-President
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator: SIERRA COPPER COMPANY
Project No. DMA: 1131X Contract IDM E-104
Total contract amount: $16,613.00
Government participation percent: 50%

Distribution of Expenditures for Month of DECEMBER, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Supervision, Engr. Assay & Ins.	432.00	2,214.00	2,646.00			
Wages and salaries	1,898.34	8,437.04	10,335.38			
Equipment purchase [1]		32.04	32.04			
Equipment rental [2] Compressor	206.00	943.61	1,149.61			
Buildings		300.00	300.00			
Explosives	114.50	829.21	943.71			
~~Repair parts~~ Small tools	30.82	64.88	95.70			
~~Other supplies~~ Mine Timbers	111.70	611.90	723.60			
~~Power~~ Gas, oil, lube	293.33	1,176.84	1,470.17			
~~Transportation~~ Brake band hoist		200.00	200.00			
~~Withholding taxes~~ Mine rails		150.00	150.00			
~~Compensation~~ Go-Devil		50.00	50.00			
~~Other insurance~~ Road repair		417.52	417.52			
~~Contract work~~ Drill-bit & rod		250.95	250.95			
~~Other (specify)~~ Air Drill rental		605.00	605.00			
Total	3,086.69	16,282.99	19,369.68			
Totals previously reported						
Totals to date	3,086.69	16,282.99	19,369.68			

16,282.99
330.01
15,613.00 = Contract

FOR GOVERNMENT USE ONLY

Checked by fb
Entered by
Approved by R. C. Johnson
Amount approved for payment $ 164.99
Remarks

in the amount of $330.01 only. That amount completes contract in the total of $16,613.

FEB 27 1952

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

Lloyd L. Norvell
Authorized Certifying Officer

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF DECEMBER, 1952

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X Contract IDM E-104
Total contract amount $16,613.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	1	22	$ 13.69°	$ 301.18
Muckers	2	48	13.69	657.12
Trammers				
Timbermen & Surface trammer		24	13.69	328.56
Pumpmen				
Hoistmen	1	20	12.85	257.00
Surface				
Samplers				
Assayers (2)				
Shift bosses & Miner	1	24	14.77	354.48
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers & Manager (2)				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				1,898.34

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

°Rate includes operators share for employment and social security
(2) Included in contract estimate of $18.00 per day supervision

FOR GOVERNMENT USE ONLY

Checked by fk
Entered by
Approved by C. C. Johnson
Remarks in the amount of $330.01 only. That amount completes contract in the total of $16,613.

°Rate per day is for 6 day week with time and one-half for over 40 hrs. per week. Base rate per day for miners, muckers and timberman & $12.32 per day - Hoistman $11.48 - Foreman $375 per mo. or $14.41 per day.

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF DECEMBER

Name of operator SIERRA COPPER COMPANY
Project No. DMA ~~1131X Contract IDM E-104~~
Total contract amount ~~$16,613.00~~
Government participation, percent ~~50%~~

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1,898.34	206.00	550.35	(1) 432.00	3,086.69	Ft.		200	200	200
Crosscutting							62	49	111	100
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,898.34	306.00	550.35	432.00	3,086.69					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

(1) Supervision, ins. assaying and engr.

FOR GOVERNMENT USE ONLY

Checked by FL
Entered by
Approved by A. C. Johnson
Remarks

in the amount of $330.01 only. That amount completes contract in the total of $16,613.

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

SIERRA COPPER COMPANY
(Name of Company)

By Roy L. Mead
(Signature of Authorized Official)

December 10, 1951
(Date)

Vice President
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X- Contract Idm-E104
Total contract amount $16,613.00
Government participation percent 50

Distribution of Expenditures for Month of NOVEMBER, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Supervision, Eng., Assay. & Insurance	468.00	1,746.00	2,214.00			
Wages and salaries	1,947.82	6,489.22	8,437.04			
Equipment purchase [1]		32.04	32.04			
Equipment rental Compressor	206.00	737.61	943.61			
Buildings		300.00	300.00			
Explosives	229.19	600.02	829.21			
~~Repairs~~ Small Tools	64.88		64.88			
~~Supplies~~ Mine Timber	17.00	594.90	611.90			
Power Gas & Oil	318.16	858.68	1,176.84			
~~Transportation~~ Brake Band on hoist		200.00	200.00			
Withholding taxes						
~~Compensation Insurance~~ Line Rails	75.00	75.00	150.00			
~~Insurance~~ Go-Devil		50.00	50.00			
~~Contracts~~ Road Repair		417.52	417.52			
Other (specify) Drill Bits & Rod		250.95	250.95			
Air Drill Rental	150.00	455.00	605.00			
Total	3,476.05	12,806.94	16,282.99			
Totals previously reported						
Totals to date	3,476.05	12,806.94	16,282.99			

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Amount approved for payment $1738.03
Remarks

DEC 14 1951

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF NOVEMBER, 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X- Contract Idm-E104
Total contract amount $16,613.00
Government participation percent 50

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	1	20	$ 13.69°	$ 273.80
Muckers	2	50	13.69	684.50
Trammers				
Timbermen & Surface Trammer	1	24	13.69	328.56
Pumpmen				
Hoistmen	1	25	12.85	321.25
Surface				
Samplers				
Assayers				
Shift bosses & Miner	1	23	14.77	339.71
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers & Manager (2)				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
TOTAL				1,947.82

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

°Rate includes operators share for unemployment and Social Security.
(2) Included in contract estimate of $18.00 per day for supervision

°Rate per day is for 6 day week with time and one-half for over 40 hrs. per week. Base rate per day for miners, muckers and timberman $12.32 per day-Hoistman $11.48 - Foreman $375 per mo. or $14.41 per day

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF NOVEMBER 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X Contract Idm-E104
Total contract amount $16,613.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
				(1)						
Drifting	1,947.82	356.00	704.23	468.00	3,476.05	1 ft.	23	177	200	200
Crosscutting							39	10	49	100
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,947.82	356.00	704.23	468.00	3,476.05					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

1. Supervision, Ins., Assaying & Eng.

FOR GOVERNMENT USE ONLY

Checked by fl
Entered by
Approved by A. C. Johnson
Remarks

OFFICE OF THE ADMINISTRATOR

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

March 10, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee,
Defense Minerals Exploration Administration,
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1131X - Contract Idm-E104 - Sierra Copper Company

Enclosed herewith, for your records, are two copies of memorandum by Mr. W. T. Benson, Mining Engineer, Region III, on his last inspection trip to subject company's property. This report is to support the last MF-104 form submitted to your office.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

CC E. H. Bailey, U.S.G.S.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 14 1952

A. C. Johnson, Chief, Mining Div., Reg. III Feb. 19, 1952

W. T. Benson, Mining Engineer, Bureau of Mines, Reg. III

Inspection of the Sierra Copper Co. property
Docket DEA-1131X - Contract Idm-2104

For the purpose of inspection and sampling new development openings, the property of the Sierra Copper Co. was visited during the period February 13 to 18, 1952.

In the west workings, the south drift was extended an additional 18 feet. Near the face of this drift a crosscut was driven south 32 feet to its intersection with a well-defined fault.

New work in the east workings consisted of extending the north crosscut 12 feet and extending the main drift 46 feet in an easterly direction.

Rock formations encountered in the south drift and crosscut comprised schistose greenstone which contained small stringers and bunches of pyrite with some disseminated chalcopyrite along bedding planes.

In the east workings only slight mineralization was disclosed in the north crosscut. Heavy pyrite mineralization with bunches of chalcopyrite was encountered for a distance of 40 feet in the main heading. At the time of visit the face of the drift was in well mineralized material. By observation it is estimated the ore encountered in this section of the drift will average better than 5 percent copper. New work is shown in green on the attached plan map.

In a recent report it was suggested the ore possibilities had not been exhausted. The disclosure of new ore in the east heading bears out the fact that additional work is necessary to prove the ore possibilities within the area.

Forms MP-104 supplied this office for the month of January show that a total of $19,369.66 has been expended in the project to date. This amount is $2,756.66 in excess of the total allotted contract amount of $16,613. The December account amounted to $16,282.99. If this figure is subtracted from the $16,613, the total amount allotted in the contract, $330.01 remains, which is the amount that will have to be considered in making the final settlement. Any amount in excess of $330.01 will have to be disallowed.

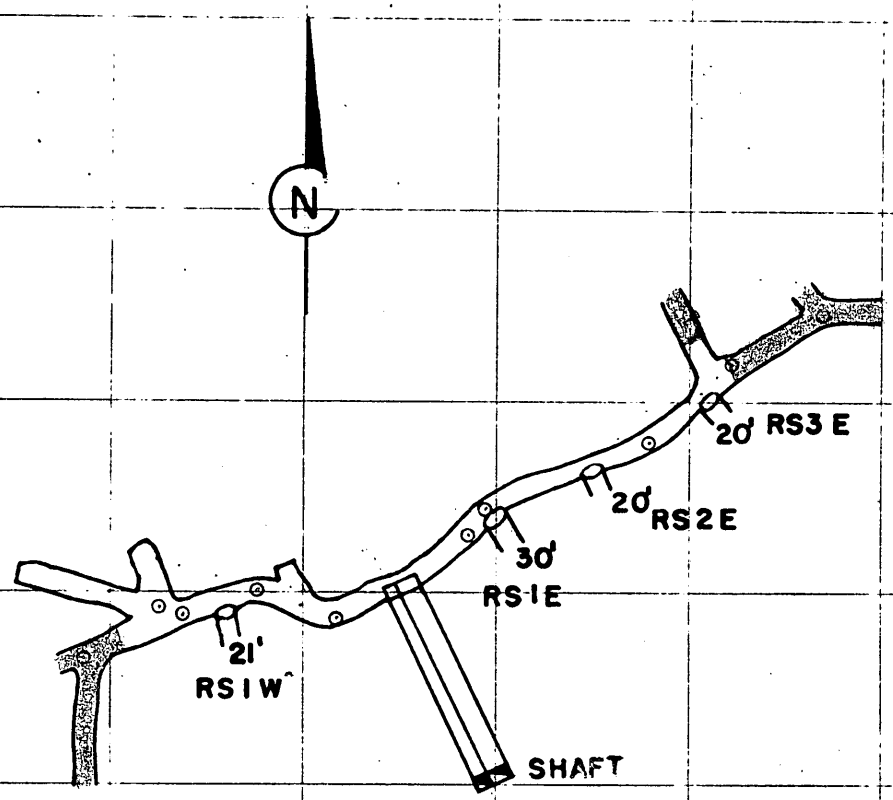
W. T. Benson

W. T. Benson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

Attach.

MAR 14 1952



PLAN MAP
SIERRA COPPER CO.
CALAVERAS CO. CALIF.
SCALE 1" = 50'
FEBRUARY 19, 1952

SF-Ama-10

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

E104

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

SIERRA COPPER COMPANY (Name of Company)

By Roy G. Mead (Signature of Authorized Official)

November 10, 1951 (Date)

Vice-President (Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X - Contract Idm-E104
Total contract amount $16,618.00
Government participation percent 50

Distribution of Expenditures for Month of OCTOBER, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Supervision, Eng., Assay. & Insurance	486.00	1,260.00	1,746.00			
Wages and salaries	1,861.89	4,607.33	6,469.22			
Equipment purchase [1]		32.04	32.04			
Equipment rental [2] Compressor	206.00	531.61	737.61			
Buildings		300.00	300.00			
Explosives	201.14	398.88	600.02			
Repair parts						
Other supplies Mine timbers	17.00	577.00	594.00			
Power Gasoline & oil	257.46	601.22	858.68			
Transportation Brake Bond on hoist		200.00	200.00			
Withholding taxes						
Compensation insurance Mine rails	75.00	-	75.00			
Other insurance Co-Devil		50.00	50.00			
Contract work Road repairs		417.52	417.52			
Other (specify) Drilling bits & rods	60.88	190.07	250.95			
Air Drill rental	150.00	305.00	455.00			
Total	3,335.37	9,471.57	12,806.94			
Totals previously reported		6,923.60	9,471.57			
Totals to date	3,335.37	9,471.57	12,806.94			

DEC 3 1951

FOR GOVERNMENT USE ONLY

Checked by Ph
Entered by
Approved by A. C. Johnson
Amount approved for payment #1667.69
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF OCTOBER, 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X -ContractIdm-E104
Total contract amount $10,613.00
Government participation percent 50

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	1	23	$ 13.69°	$ 314.87
Muckers	2	46	13.69	629.74
Trammers				
Timbermen & surface tramer	1	23	13.69	314.87
Pumpmen				
Hoistmen	1	22	12.85	282.70
Surface				
Samplers				
Assayers (2)				
Shift bosses & miner	1	23	14.77	339.71
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers and Manager (2)				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
TOTAL				1,881.89

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

°Rate includes operators share for unemployment and Social Security.
(2) ~~Included in contract estimate of $18.00 per day for~~ supervision.

°Rate per day is for 6 da. week with time and one-half for over 40 hrs. per week. Base rate per day for miners muckers and timberman $12.32 per day - Hoistman $11.43 - Foreman $375 per mo. or $14.41 per day.

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by C. C. Johnson
Remarks

DEC 3 1951

16—64068-1

Lloyd L. Norvell
Authorized Certifying Officer

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF OCTOBER, 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131K- Contract Idm-E104
Total contract amount $16,613.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1,881.89	356.00	611.48	1/486.00	3,335.37	1 ft.	42	135	177	200
Crosscutting								10	10	100
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,881.89	356.00	611.48	486.00	3,335.37					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

1. Supervision, Inc., Assaying & Eng.

DEC 3 1951

FOR GOVERNMENT USE ONLY

Checked by PH
Entered by
Approved by A. C. Johnson
Remarks

Lloyd L. Norvell
Authorized Certifying Officer

COPY

A. C. Johnson, Chief, Mining Div., Reg. III Oct. 24, 1951

W. T. Benson, Mining Engineer

Docket DMA-1151X - Sierra Copper Co., Calaveras Co., Calif.
Contract-Edm-E104

For the purpose of inspection and mapping, the property of the Sierra Copper Co. was visited October 19, 1951. Advance to date is shown on the accompanying plan and projection map attached.

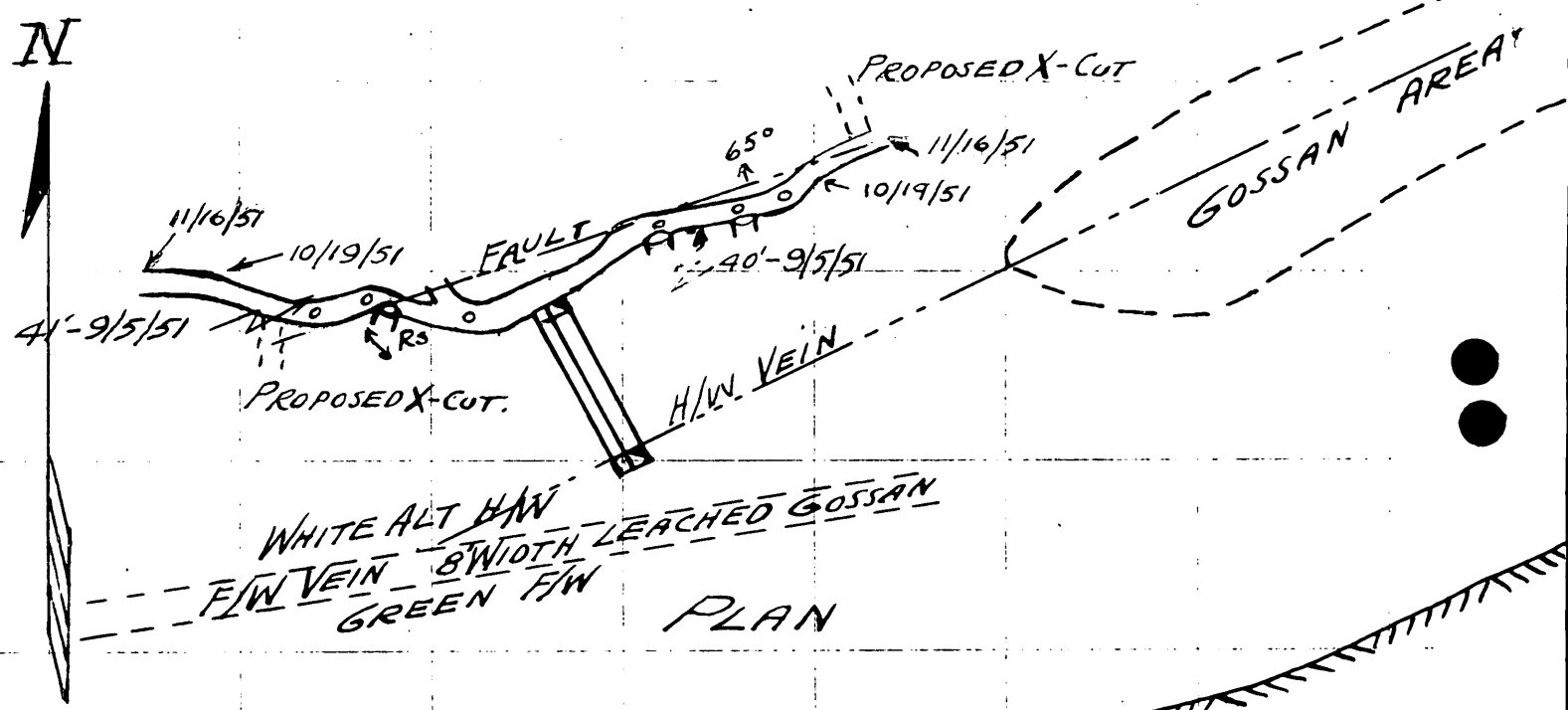
Work performed under the subject contract for the period Sept. 1 to Sept. 30, included extending the north drift 5 feet, the south drift 48 feet, and the crosscut to the west from the southeast drift about 2 feet.

In addition to the drifting and crosscutting, an up-raise from the north drift was extended a distance of 12 feet. As of October 19, 1951 this raise was 21.5 feet in length. A second raise was also started from the south drift at a point 42.5 feet in from the shaft. The face of this raise was 14.5 feet above the drift at the time of visit. Purpose of these raises was to explore the mineralization above the level.

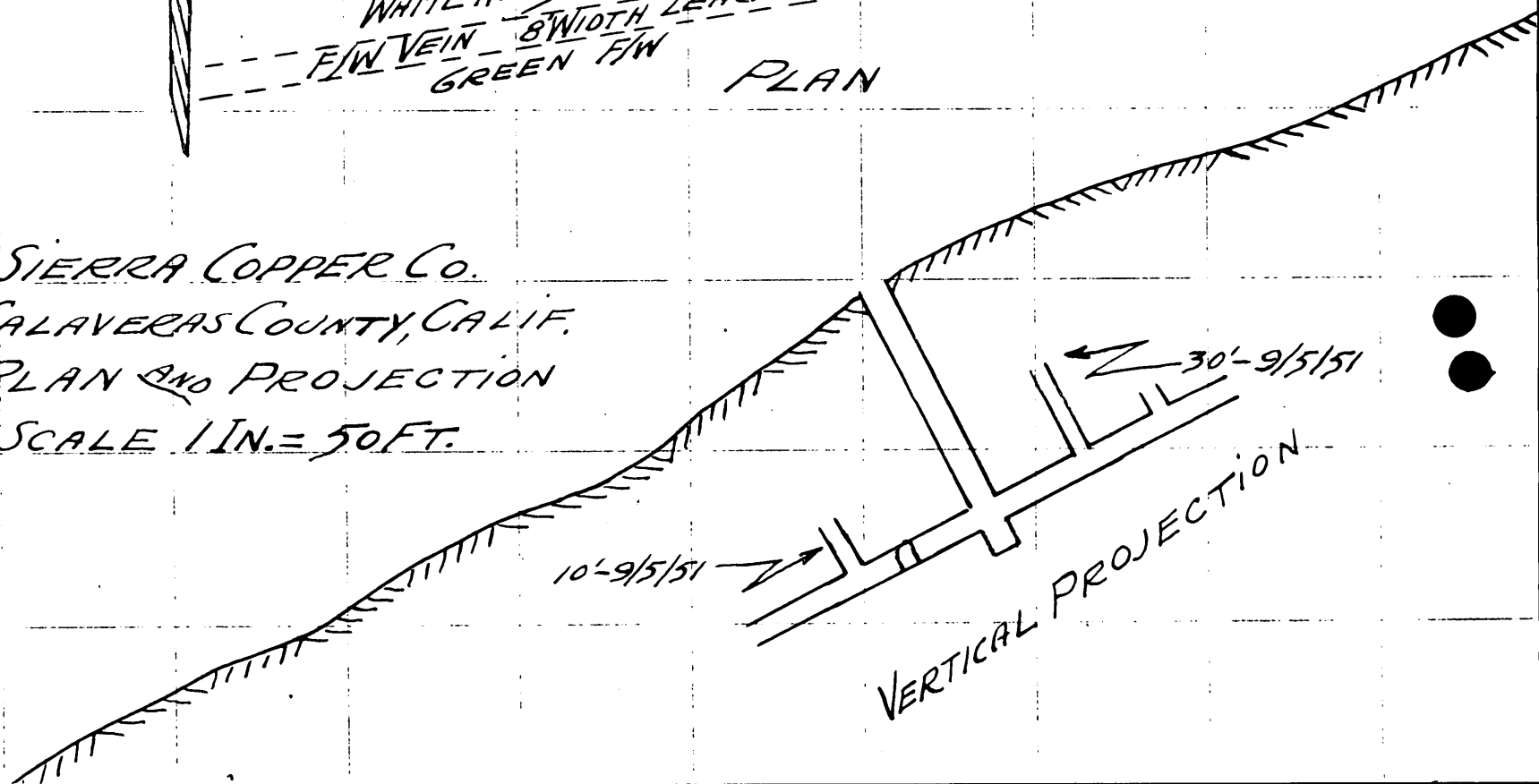
The work performed to date has resulted in prospecting the mineralized zone at a point about 87 feet below the outcrop, and for a distance of 170 feet along the strike. Work to date has disclosed mineralization of varying intensity along the entire length of the 100-foot level.

During the month of September 1951, a car of ore was shipped to the Tacoma Smelter at Tacoma, Wash. Since this ore was disclosed by work authorized by the subject contract, the Sierra Copper Co. and its agent Roy G. Mead, should be advised by the Executive Officer, Defense Minerals Administration, Region III, that the proportionate share of the proceeds as specified in the contract, should be advanced the Government.

W. T. Benson



SIERRA COPPER CO.
CALAVERAS COUNTY, CALIF.
PLAN AND PROJECTION
SCALE 1 IN. = 50 FT.



Dma-11

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

E 104

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

SIERRA COPPER COMPANY
(Name of Company)

By Roy G. Mead
(Signature of Authorized Official)

OCTOBER 4, 1951
(Date)

Vice-President
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X - Contract Idm-E104
Total contract amount $16,613.00
Government participation percent 50

Distribution of Expenditures for Month of SEPTEMBER, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Supervision, Eng., Assay & Insurance	450.00	810.00	1,260.00			
Wages and salaries	1,442.61	3,164.72	4,607.33			
Equipment purchase [1]	-	32.04	32.04			
(1) Equipment rental [2] Compressor	206.00	325.61	531.61			
Buildings	-	300.00	300.00			
Explosives	108.95	289.93	398.88			
Repair parts						
Other supplies Mine Timbers	-	577.90	577.90			
Power Gasoline	244.32	356.90	601.22			
~~Transportation~~ Band on Hoist	- -	200.00	200.00			
(2) Withholding taxes						
Compensation insurance						
~~Other~~ Go-Devil	-	50.00	50.00			
~~Contract work~~ Road repairs	-	417.52	417.52			
Other (specify) Drilling bits & rods	46.09	143.98	190.07			
Air drill rental	150.00	155.00	305.00			
Total	2,647.97					
Totals previously reported		6,823.60				
Totals to date	2,647.97	6,823.60	9,471.57			

NOV 2 1951

FOR GOVERNMENT USE ONLY

Checked by PN
Entered by
Approved by A. C. Johnson
Amount approved for payment $1323.98
Remarks

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

(1) Portable air compressor rented from Kyle & Co., Stockton
(2) Included in wages

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF SEPTEMBER, 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X
Total contract amount $16,613.00
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners	1	16	$ 13.69 °	$ 219.04
Muckers	2	36	13.69	492.84
Trammers				
Timbermen & surface tramer	1	18	13.69	246.42
Pumpmen				
Hoistmen	1	17	12.85	218.45
Surface				
Samplers				
Assayers (2)				
Shift bosses and miner	1	18	14.77	265.86
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager (2)				
Superintendent				
Engineers (2)				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				1,442.61

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

°Rate includes operators share for unemployment and Social Security.

(2) Included in contract estimate of $18.00 per day for supervision.

°Rate per day is for 6 day week with time and one-half for over 40 hrs. per week. Base rate per day for miners muckers and timberman $12.32 per day Hoistman $11.48 - Foreman $375 per mo. or $14.41 per day.

FOR GOVERNMENT USE ONLY

Checked by LH
Entered by
Approved by A. C. Johnson
Remarks

NOV 2 1951

16—64068-1

Lloyd L. Norvell
Authorized Certifying Officer

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

Name of operator _____
Project No. DMA _____
Total contract amount _____
Government participation, percent _____

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1,442.61	356.00	399.36	1/450.00	2,647.97	1 foot	55	105'	160'	200 ft.
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
	1,442.61	356.00	399.36	450.00	2,647.97					
Totals										

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above), are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

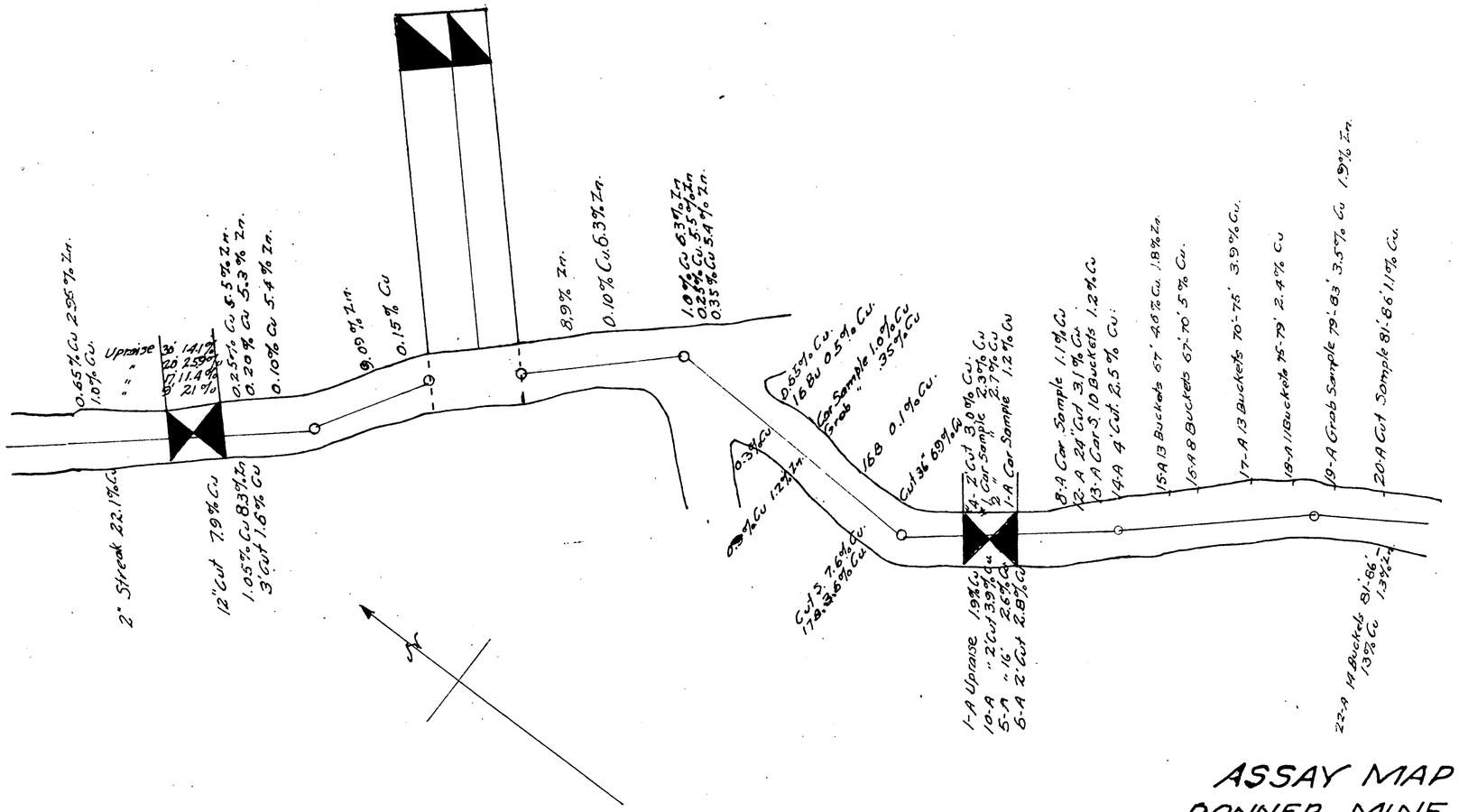
1. Supervision, Ins., Assaying & Eng.

FOR GOVERNMENT USE ONLY

Checked by _____
Entered by _____
Approved by A. C. Johnson
Remarks _____

NOV 2 1951

Lloyd L. Merrell
Authorized Certifying Officer



ASSAY MAP
DONNER MINE
scale 1" = 10'

Sep. 30. 51.

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

SF- DMA - 17

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DMA - 1131X

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

SIERRA COPPER COMPANY (Name of Company)

By Roy G. Snead (Signature of Authorized Official)

SEPTEMBER 5, 1951 (Date)

Vice-President (Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X - Contract Idn-3104
Total contract amount $10,613.00
Government participation percent 50

Distribution of Expenditures for Month of AUGUST, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Supervision, Eng., Assay & Ins.	486.00	324.00	810.00			
Wages and salaries	1,728.70	1,441.02	3,164.72			
Equipment purchase [1]	-	32.04	32.04			
(1) Equipment rental [2] Compressor	206.00	119.61	325.61			
Buildings	-	300.00	300.00			
Explosives	166.64	123.29	289.93			
Repair parts						
Other supplies Mine Timbers	-	577.00	577.00			
Power Gasoline	243.51	113.39	356.90			
Transportation Drake Hand on Hoist	200.00	-	200.00			
(2) Withholding taxes						
Compensation insurance						
Other insurance Go-Devil	50.00	-	50.00			
Contract work Road repairs	-	417.52	417.52			
Other (specify) Drilling bits and rods	88.02	55.00	143.93			
Air drill rental	155.00	-	155.00			
Total	3,318.87					
Totals previously reported		3,504.73				
Totals to date	3,318.87	3,504.73	6,823.60			

FOR GOVERNMENT USE ONLY

Checked by Pb
Entered by
Approved by A. C. Johnson
Amount approved for payment $1659.44
Remarks

SEP 20 1951

Lloyd L. Morrell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

(1) Portable air compressor rented from Kyle & Co., Stockton
(2) Included in wages

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF AUGUST, 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X
Total contract amount $10,013.00
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners	1	19	$ 13.69°	$ 260.11
Muckers	2	40	13.69	547.60
Trammers				
Timbermen and surface tramer	1	23	13.69	314.87
Pumpmen				
Hoistmen	1	23	12.65	290.95
Surface				
Samplers				
Assayers (2)				
Shift bosses // and miner	1	21	14.77	310.17
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager (2)				
Superintendent				
Engineers (2)				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				$1,723.70

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

°Rate includes operators share for unemployment and Social Security.
(2) Included in contract estimate of $18.00 per day for supervision.
°Rate per day is for 6 day week with time and one-half for over 40 hrs. per week. Base rate per day for miners, muckers and timberman $12.32 per day- Hoistman $11.43 - Foreman $375 per Mo. or $14.41 per day.

FOR GOVERNMENT USE ONLY

Checked by Pk
Entered by
Approved by R. C. Johnson
Remarks

SEP 20 1951

16—64068-1

Lloyd L. Newell
Authorized Certifying Official

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF AUGUST, 1951

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131 X
Total contract amount $16,613.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1,723.70	361.00	498.17	1/486.00	3,068.87	1 foot	68	37	105'	200 ft.
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Brake Band on Hoist				200.00	200.00					
Go-Devel Truck				50.00	50.00					
Totals	1,723.70	361.00	498.17	736.00	3,318.87					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

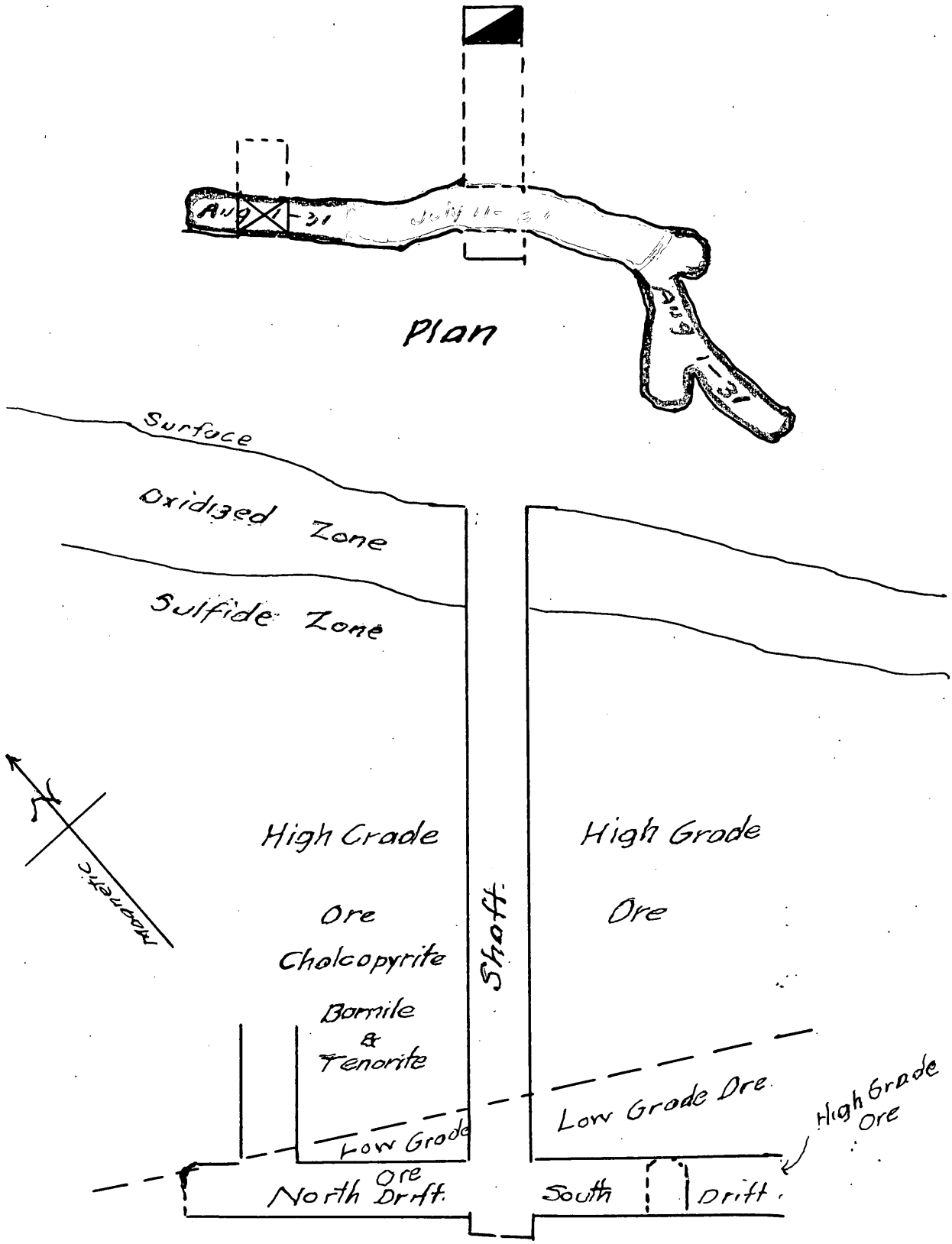
1. Supervision, Ins., Assaying & Eng.

SEP 20 1951

FOR GOVERNMENT USE ONLY

Checked by [illegible]
Entered by
Approved by A. C. Johnson
Remarks

Lloyd L. Norvell
Authorized Certifying Officer



N.S. Section

DONNER MINE
Scale 1" = 20'

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

SF- DMA-10

DMA-1131X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

SIERRA COPPER COMPANY
(Name of Company)

By Dennis Smith
(Signature of Authorized Official)

AUGUST 25, 1951
(Date)

PRESIDENT
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X - Contract Idm-E104
Total contract amount $16,613.00
Government participation percent 50

Distribution of Expenditures for Month of JULY, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Supervision, Eng., Assay, and Insurance	324.06		324.06			
Wages and salaries	1,441.02	None	1,441.02			
Equipment purchase [1]	32.04	"	32.04			
Equipment rental [2] Compressor	119.61	"	119.61			
Buildings Powder Magazine	300.00	"	300.00			
Explosives	123.29	"	123.29			
Repair parts						
Other supplies Mine Timbers	577.90	"	577.90			
Power Gasoline	113.39	"	113.39			
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work						
Other (specify) Drilling bits and rods	55.96	"	55.96			
Road repairs	417.52	"	417.52			
Total	3,504.73		3,504.73			
Totals previously reported		NONE				
Totals to date	3,504.73		3,504.73			

SEP 20 1951

FOR GOVERNMENT USE ONLY

Checked by Ph
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 1752.37
Remarks

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

(1) Portable air compressor rented from Kyle & Co., Stockton
(2) Included in wages

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF ____

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131X
Total contract amount $16,613.00
Government participation percent 50

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	1	15	$ 13.70°	$ 205.50
Muckers	2	36	13.70	493.20
Trammers				
Timbermen and surface tramer	1	18	13.70	246.60
Pumpmen				
Hoistmen	1	18	12.74	229.32
Surface				
Samplers				
Assayers (2)				
Shift bosses and miner	1	18	14.80	266.40
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager (2)				
Superintendent				
Engineers (2)				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
TOTAL				1,441.02

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

°Rate includes operators share for unemployment and Social Security.
(2) Included in contract estimate of $18.00 per day for supervision
°Rate per day is for 6 day week with time and one-half for over 40 hrs. per week. Base rate per day for miners, muckers and timberman $12.32 per day - Hoistman $11.48 - Foreman $3.75 per man or $14.41 per day.

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Remarks

SEP 20 1951

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July (11-31 inc.)

Name of operator SIERRA COPPER COMPANY
Project No. DMA 1131 X
Total contract amount $16,613.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	782.30	151.65	292.64	(1) 324.00	1,550.59	1 foot	37	None	37'	200 ft.
Crosscutting										
Raising										
Shafts Cutting Station	658.72				658.72					
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying & Supervision				(2)						
Roads and trails				417.52	417.52					
Test pits										
Other (specify) Timbers			577.90		577.90					
Powder Magazine				300.00	300.00					
Totals	1,441.02	151.65	870.54	1,041.52	3,504.73					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

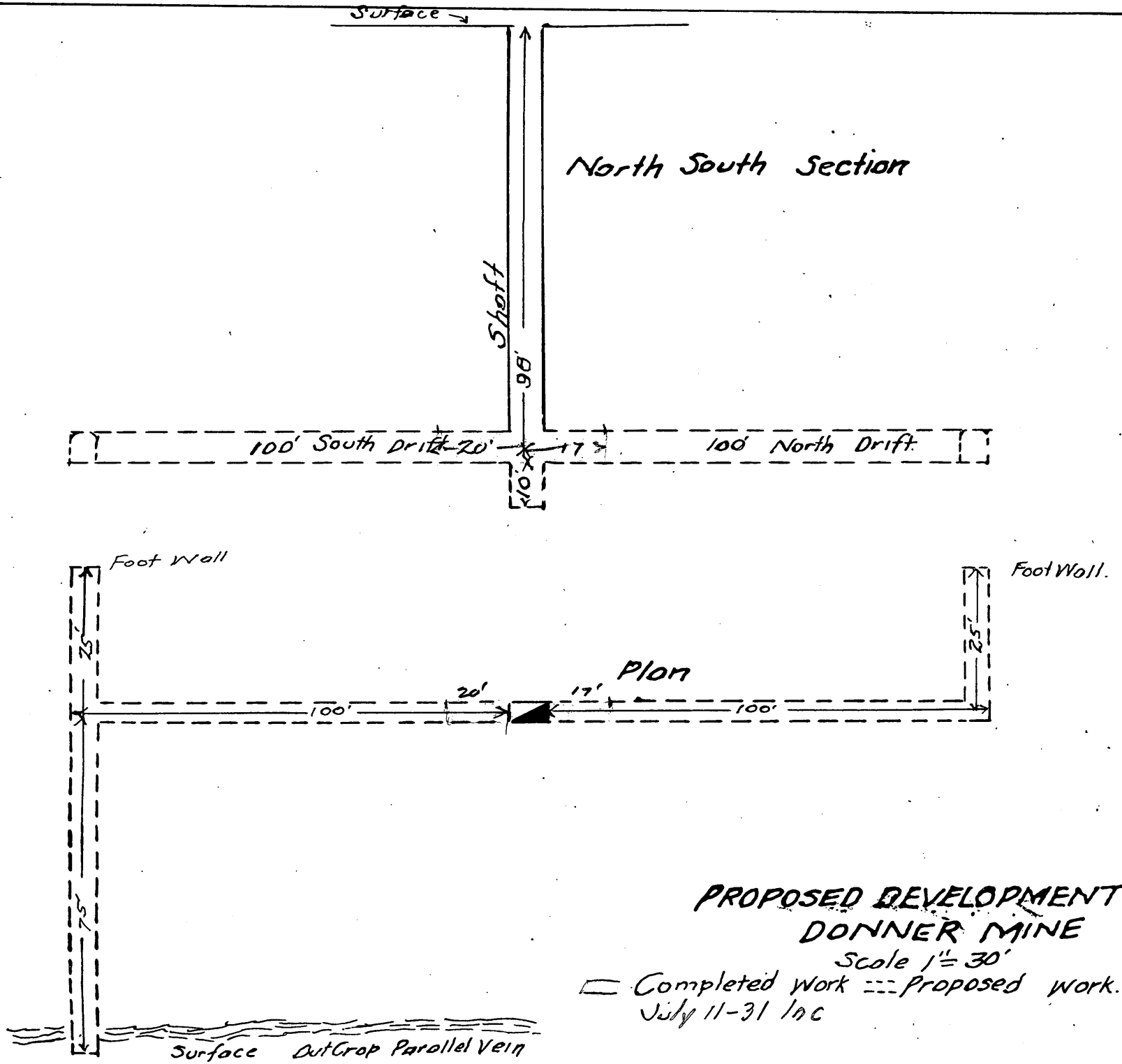
(1) Supervision, Ins., Assaying & Eng. (2) Road Repairs (3) Powder Magazine

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by A. C. Johnson
Remarks

SEP 20 1951

Lloyd L. Norvell
Authorized Certifying Officer



PROPOSED DEVELOPMENT
DONNER MINE
Scale 1" = 30'
Completed Work ::: Proposed Work.
July 11-31 Inc

DMA Form 2

DEFENSE MINERALS ADMINISTRATION
Status Change Notice

DMA Docket No. 1131 K
Sierra Copper

To: Reports and Records Branch

From: PEAS

Date: August 8, 1950

The following action has been taken this date on the above Controlled Document.

Forwarded to Region III

Type of request changed to:

Denied ☐ Withdrawn ☐

Approved in amount of $ 16,000.00 Get for the 50% $ 8,000.00

Other action, specify:

Issued to Sierra for formal approval of change & distribution

Interior—Duplicating Section, Washington, D. C. 98869

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

PROJECT SUMMARY REPORT

By: F. M. Murphy January 14, 1955

1. Docket No. DMEA-1131 (Copper)
Contract No. Idma-E104
Property: Donner Mine
Calaveras County, California

Operator: Sierra Copper Company
Ronnie B. Smith, President
21st Floor, Tower Bldg.
Dallas, Texas

Operator's Property Rights: Lessee - Landlord's Subordination Agreement dated June 29, 1951.

2. Contract dated July 11, 1951. To complete - 3 months.

Work Authorized

Cut station at 100 feet shaft level	$ 735.00
Sink sump 10 feet @ $50.00/ft.	500.00
Drifting 200 feet @ $20.00/ft.	4,000.00
Crosscutting 125 feet @ $20.00/ft.	2,500.00
Roads and trails	2,500.00
New Buildings and Improvements	300.00
Supervision, taxes, and analyses	1,530.00
Supplies	2,755.00
Equipment (Purchase)	550.00
Equipment (rental and repairs)	1,243.00
Total estimated cost of project	$16,613.00
Government's participation at 50%	$ 8,306.50

Work Completed

Cost as shown on Operator's Monthly Progress Report for December 1951:

1. 200 feet drifting on 100 foot level

2. 111 feet crosscutting on 100 foot level

Work Completed (continued)

Costs:

Supervision, labor, taxes sampling	$12,981.38
Equipment purchased	32.04
Equipment rental	1,754.61
Building	300.00
Roads	417.52
Materials and supplies	3,884.13
Total cost of project	$19,369.68

3. Audit - Report of Review issued March 5, 1953.

Total cost December 1952, MF-104	$19,369.68
Costs in excess of contract maximum not claimed by Operator	2,756.68
Total accepted cost	$16,613.00
Government's participation 50%	$ 8,306.50

4. Certification of Discovery - None issued.

In carrying out the exploration some ore was shipped and sold, for which the Government received $9.63 royalty (February 14, 1952).

5. Comments:

The work was completed in a satisfactory manner. However, the monthly progress reports contained meager data, and no final reports were submitted to DMEA by the Field Team or the Operator.

The property embraces a mineralized vein 6 feet wide striking S.50°E on which a shaft had been sunk to a depth of approximately 125 feet. The footwall of the vein is mainly an altered slate of Jurassic age belonging to the Meta-sediments of the foothill belt. The hanging wall is a Meta-andesite of Jurassic age belonging to the Amador series. The vein material is quartz, iron pyrites and chalcopyrite, with occasional kidneys of manganese oxide. The surface of the exposure is an iron gossan.

While exploration work was under way, the Company requested a direct loan of $50,000.00 from DMPA. By letter, dated October 2, 1951, Mr. Tom Lyon requested an examination of the property by U.S.G.S. and the U.S..B.M. Reports on these examinations were made by the Bureau of Mines, dated February 12, 1952, and the Geological Survey dated

March 7, 1952. Copies of these reports were not sent to DMEA as it was presumed that the DMPA files were available to the Washington DMEA office.

The U.S.G.S. report mentions that: "The ore zone explored by the Applicant's completed exploration program contains a maximum of 214,000 pounds of copper, with a gross value of $52,000.00, in ore with an average grade of 1.4 percent copper."

Both reports concurred that further exploration of the property would increase the size of the reserves but probably not raise the grade of the ore.

The DMEA Field Team, Executive Officer, Region III, did not recommend certification; because he did not believe that the ore discovered could be economically mined and concentrated.

F. M. Murphy

FMMurphy/er 5/13/55

Copy to: Docket
Base Metals
Chron.

☑ Audited ☑ Actual Cost

☐ Certified ☐ Agreed Unit Costs

WORK ANALYSIS SHEET – DMEA PROJECT

Analysis as of Dec. 1 - 1954
Incl. Voucher for Dec. 1951

Name Sierra Copper Company Docket No. DMA-1131X

State California Commodity Copper Idn-E No. 104

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	325	$9,883.82	311	$9,883.82	9,883.82
Raising					
Shafts	10	760.54	10	760.54	760.54
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation		1117.55		1117.55	1117.55
Roads and Trails		3801.09		3801.09	3801.09
Operating Equipment Purchased		550.00		550.00	550.00
Surface Rehabilitation & Repairs		200.00		200.00	200.00
Underground Rehabilitation					
New Building, Improvements, etc.		300.00		300.00	300.00
Other (Specify) Super., Equip. rental, Supplies, Engineering, Ins.		5328.00 ⊛		5328.00 ⊛	
Totals		$16,613.00		$16,613.00	$16,613.00

⊛ Prorated above

Corrected 15853.

Prepared by

REGION II
SEMI-ANNUAL REPORT
DEFENSE [redacted]ERALS EXPLORATION ADM[redacted]TRATION

Docket No.: DMA-1131X (Copper)

Date: 12/31/55

Contract No.: Idm-E104

RECEIVED
JAN 17 1956

Operator: Ronnie Smith, Pres.
Sierra Copper Co.
21st Floor, Tower Bldg.
Dallas, Texas

Donner Mine
Calaveras County, Calif.

Date of Contract: 7/11/51

Completion Date: January 11, 1952

	Total	Expenditures	Gov't Participation
Amount of Contract:	$16,613.00	$16,613.00	$8,306.50

Date Certified: Not certified.

Estimated Reserves

DMEA Project	Tons	Grade	Gross Value
Measured:			
Indicated:			
Inferred:	3,729	(1.52% Cu (Trace Au and Ag	$48,000.00
January 1, 1956			
Measured:			
Indicated:			
Inferred:	3,729	(1.52% Cu (Trace Au and Ag	$48,000.00

	This Period	Todate	Gross Value
Production:	0	0	0

	This Period	Todate	Percent Payment
Royalty:	0	$9.63	0.1

Status: No production was reported this period. Mine is inactive.

REGION II
SEMI-ANNUAL REPORT
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUL 18 1955

Docket No.: DMA-1131X - (Copper) **Date:** June 30, 1955

Contract No.: Idm-E104

Operator: Sierra Copper Company
Ronnie Smith, Pres.
21st Floor, Tower Bldg.
Dallas, Texas

(Donner Mine,
Calaveras County, Calif.)

Date of Contract: July 11, 1951 **Completion Date:** December, 1952

	Total	Gov't Participation	Operator
Amount of Contract:	$16,613.00	$8,306.50	$8,306.50
Expenditures:	$16,613.00	$8,306.50	$8,306.50

Date Certified: A certification of discovery has not been issued.

Status: The property is reported to be inactive.

	Tons	Grade	Gross Value	Deductions	Net Value
Production DMEA:	-	-	-	-	-

	This Period	Todate	Percent Payment
Royalty:	None	$9.63*	0.1

Remarks:

*A royalty payment was made by the operator on February 14, 1952.
No production was reported this period.

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

February 11, 1955

Memorandum

To: Jay L. Chambers, Chief
Contract Adm. & Audit Division

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Completed contracts - no discovery made E - 1004

We have checked the attached list of contracts prepared by Mrs. Alley of your Division. It is not our intention to write "completion" letters to the Operators on these particular contracts, although in each instance the exploration work was unsuccesful, for the reason that the work was completed sometime prior to the adoption of the procedure to prepare final letters to the Operators.

Ernest Wm. Ellis

Ernest Wm. Ellis

Rare and Miscellaneous Metals

Completed contracts on which certification or a closing letter of no discovery has not been issued.

Docket No.	Contract No.	Operator
1131	104	Sierra Copper Company
1324	108	Ashley J. Gold and Joe Gold
1514	112	Maravillas Minerals Company
1348	123	Elkhorn Mining Company
979	132	G. O. P. Antimony
1215	142	Compton I. White
1660	148	Oscar Svensson
1535	169	Columbia Mining Company
2013	215	Amador Mining Company
527	232	Yucca Mining and Milling Company
1429	269	J. Walter Duncan, Jr.
1232	276	Alaska Copper Corporation

SEMI-ANNUAL DMEA REPORT

Docket No.: DMA-1131X (Copper) December 31, 1954

Contract No.: Idm-E104

Period: (Second) July 1, 1954 to December 31, 1954

Date of contract: July 11, 1951

Exploration work completed: December 1952

Name and address of operator: Sierra Copper Co.,
21st floor, Tower Bldg.
Dallas, Texas

Name and location of property: Sierra Copper Mine, Calaveras County, Calif., about 22 miles northeast of Farmington, Calif.

Date certified: No certificate of discovery has been issued.

Expenditures:

Operator	Government	Total
$8,306.50	$8,306.50	$16,613.00

Statement of operations:

The property is inactive and there was no production during 1954. Some ore was produced and shipped during the exploration in 1951, and a royalty of $9.63 was paid the Government. The Mining Section, Region II, has no data relative to production, or settlement sheets covering ore shipped.

A. C. Johnson

A. C. Johnson
Mining Engineer

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

Contract file

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

April 9, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Certified Projects - royalty payments

In accordance with instructions in the Minutes of the Operating Committee for March 20, 1953, below is a list of the projects in Region III that were producing ore subject to royalty payments, as of December 31, 1952:

Contract	Docket	Operator	
Idm-E104	DMA-1131X	Sierra Copper Company	(Copper)
E136	DMA-229X	Cherry Creek Tungsten	(Tungsten)
E153	DMA-67X	Marshall Mining Co.	(Copper)

/s/ H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: E. H. Bailey, USGS

FILE COPY
SURNAME:

Talbert
Chambers

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

MAR 5 1953

J.C. 3/4/53

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Contract Idm-R104
Docket DMA-1131X
Sierra Copper Company

Dear Mr. Miller:

As a result of the recent issuance by you of a waiver of Government interest in the projects's property, this Division is now in a position of being able to release the Report of Review covering the above exploration project. This Review was made by Mr. Talbert during his visit to your office last July.

The original and two copies are enclosed herewith. Distribution should be made in accordance with DMEA Circular 19.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
March 5, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

FILE COPY
SURNAME:

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

J. Kuzmic
Allis
Ostrom
Hartlund
Chamberlin

MAR 2 1953

Mr. [illegible] Conner
Milton, California

Re: Lease No. [illegible]-1131 (Copper)
Contract [illegible]-11 Terminated
Sierra Copper Company
Copper Mine
[illegible] Mariposa County, California

Dear Mr. Conner:

J.C. 3/2/53

This will acknowledge receipt of your letter dated February 21, 1953, pertaining to the above terminated contract. [illegible] the lease [illegible] the [illegible] of this property [illegible] cancelled and the property returned to you. Accordingly, you [illegible] that interest, if any, the Government retains in the subject property.

This is to inform you that [illegible] work under this contract has been completed [illegible] the terms of the contract. Furthermore, [illegible] relating to interest in this property.

[illegible] this is [illegible] information you desire.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Allis/Kuzmic/jen
2/26/53
cc for [illegible] Smith
Adm. Mining File
Docket
Legal Division
Messrs. [illegible] Johnson-3621
[illegible] Sinkel-4234
[illegible] Knox
Field Mgr., Region III (2)

Milton, Calif.
Feb 21, 1953

2/25/53
gh

C O Mittendorf
D M E A.
Washington 25, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

Dear Mr Mittendorf,

Down the Donner Copper mine on which the Sierra Copper Company, of Dallas Texas received a D.M.A. loan number 1131X.

Since that time their lease has been canceled and the property returned to me, so I would like to lease the property to another company, but I can't find what the status of the loan is. I saw Mr Miller in San Francisco, but he didn't know what your office has done in regards to this matter.

Would you please advise me at your earliest convenience, what the status of the loan is.

Very truly yours

H L Donner

H L Donner
Milton via Farmington
Calif.

FILE COPY
SURNAME:
800
Chambers

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

FEB 18 1953

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Contract Idm-E104
Docket DMEA-1131 (Copper)
Sierra Copper Company

Dear Mr. Miller:

J.C. 2/18/53

Reference is made to your letter of February 11, 1953, in regard to the above-cited contract.

Your conclusion that Contract E104 will not be certified is most probably correct.

In regard to the royalty payments made by the Operator while the project was in progress, advise that if the Operator makes a claim for the return of the $9.63 royalty payment made February 14, 1952, your Finance Officer will request that this amount be allocated to the project to refund the royalty payment made by the Operator, and the Washington Office will make such an allocation. No allocation, however, will be made unless the Operator submits a claim to your office.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
February 18, 1953

Copy to: Docket
Admr. Reading File
Mr. Bailey, Rm. 2510A
Mr. Ellis
Mr. Chambers

February 18, 1953

Mr. Ellis:

Please note the attach'd memo from Mr. Miller, Region III, to Mr.Chambers. You may want to discuss this with him, and ask for a copy of his reply for our contract file. Therefore, I'd like to bring the following to your attention:

1. In our "resume" (left-hand side of the file) we stated that "Although no final report has been received, this contract is considered terminated since all funds have been expended."

This is the case, of course, where the applicant requested additional funds for proposed drifting or drilling, which was denied on November 18, 1952, by telegram to Applicant.

2. While we have stated that no final report has been received, I have noted in the Supplemental Report by the Field Team, dated April 23, 1952, that a previous report was written on February 12, 1952 (we do not have a copy in our contract file) and in the second paragraph they say "the final report has been forwarded to the Washington, D. C. office."

Then, as to the Operator's final report, I have marked the Applicant's letter of May 24, 1952.

Would the above communications constitute the final reports of both the Operator and the Field Team?

3. Yesterday (2/17/53) we received three copies of "Notice of Waiver of Government's Interest in Property Paid for or Purchased with Funds Contributed Jointedly by the Operator and the Government", dated February 9, 1953, which you reviewed, and is now circulating to Mr. Chambers and Mr. Hofflund, then back to Hazel Berry for distribution. We have not received our Division copy of that notice for our file, as yet.

4. I presume that since we considered this to be one of the contracts terminated in 1952, but not yet officially terminated, that we will not write a <u>completion letter</u> to the to the Operator.

I would just like to have these points clarified in order that I may keep our record on completed contracts correctly as to this particular contract.

Mrs. Guest

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

800

FEB 18 1953

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Contract Idm-E104
Docket DMEA-1131 (Copper)
Sierra Copper Company

Dear Mr. Miller:

Reference is made to your letter of February 11, 1953, in regard to the above-cited contract.

Your conclusion that Contract E104 will not be certified is most probably correct.

In regard to the royalty payments made by the Operator while the project was in progress, advise that if the Operator makes a claim for the return of the $9.63 royalty payment made February 14, 1952, your Finance Officer will request that this amount be allocated to the project to refund the royalty payment made by the Operator, and the Washington Office will make such an allocation. No allocation, however, will be made unless the Operator submits a claim to your office.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
February 18, 1953

Copy to: Docket
Admr. Reading File
Mr. Bailey, Rm. 2510A
Mr. Ellis
Mr. Chambers

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 13 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 11, 1953

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1131 (Copper), Sierra Copper Company, Calaveras County, California, Contract Idm-E104

Now that all interest in equipment, tools, etc., purchased under terms of the subject contract has been waived, (see notice of waiver of Government's interest in property paid for or purchased with funds contributed jointly by the Operator and the Government dated February 9, 1953) we assume the subject case is closed.

However, if certification is not made, and we have no information that it will be, royalty payments made by the Operator will, according to DMEA Circular 26, Supplement No. 2, just received, have to be repaid to the Operator.

My question is: Will your office make such repayment or will some action toward that end have to be initiated in this office?

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: E. H. Bailey, USGS

FILE COPY
SURNAME:

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

F L Knouse
Knouse
Johnson
Ellis
F E Johnson
Hedges

NOV 1 8 1952

FLKnouse/gla 11-18-52
cc to: Adm. Reading File
F. E. Johnson, Operating Committee
Messrs. C. H. Johnson, Rm. 3621
A. R. Kinkel, Rm. 5214 GSA
Mr. Ellis Mr. Knouse
DMEA Field Team, Region III (2)
Mr. Chambers, Rm. 2612

F.L.Knouse/gla 11-18-52

DMEA

14X3923.970 Working
Fund, Interior, Defense Minerals
Exploration Administration

MR. RONNIE SMITH, PRESIDENT
SIERRA COPPER COMPANY

TOWER PETROLEUM BUILDING
DALLAS, TEXAS

F.N. 11-19-52

REURTEL NOVEMBER 14 SIERRA COPPER COMPANY DOCKET NUMBER DMA-1131X

ADDITIONAL EXPLORATION FUNDS FOR PROPOSED DRIFTING OR DRILLING

ARE DECLINED.

C. O. Mittendorf (for)

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION
ADMINISTRATION

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

#(53).

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

WP028 DL PD=DALLAS TEX 14 1032A= 1952 NOV 14 AM 11 57

:DEPARTMENT OF INTERIOR, DMEA=

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

ATTN MR KNOUSE=

:PLEASE REFER SIERRA COPPER AND MT. DIABLO QUICKSILVER WITH TELEPHONE LATER TODAY RELATIVE YOUR ALTITUDE DRIFTING 100 FT. LEVEL DONNER LEASE AS SUGGESTED MR. MILLER LETTER OCT. 22 AND ELIMINATION OF DRILLING PROGRAM. ALSO YOUR THOUGHTS ON MT. DIABLO REGARDING SINKING SHAFT VERSUS TUNNEL AS SUGGESTED BY BAILEY OF U.S.G.S. THANKS=

:RONNIE SMITH=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Nov 14 12 51 PM '52

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

700
FILE COPY
SURNAME:
Docket

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

November 14, 1952

Memorandum

To: Mr. F. L. Knouse

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMA-1131X (Copper)
Contract No. Idm-E104
Sierra Copper Company

- - -

DMEA-2448 (Mercury)
Ronnie Smith, Trustee
Mt. Diablo Quicksilver Mine

Ronnie Smith called today from Dallas, Texas, regarding the two captioned projects. Since I was "cold" on these two projects I was unable to give him much information.

However, it appears that he is quite anxious about the Donner Mine of the Sierra Copper Company (DMA-1131X). The reason for his anxiety is that time is running out on his lease. I told him the matter was on your desk and today we had gotten from the Copper Division of DMPA two reports mentioned in Mr. Miller's memorandum of November 7, and that you were expected to be in the office by Monday. With that, he asked if we would send him a telegram Monday, or by Tuesday, as to how this property was coming.

With respect to the Mt. Diablo property (DMEA-2448), I stated we had written him a letter in Dallas as of November 12 and doubtless he should receive it in a day or so.

Ernest Wm. Ellis

EWEllis/gla
cc to: Docket file

11/13/52 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 7, 1952

Memorandum

To: F. L. Knouse, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 1131X (Copper), Contract Idm-E104, Sierra Copper Company, Calaveras County, California

Reference is made to your telephone call of November 4 concerning the subject docket and to your question as to whether or not we are of the opinion that the exploration work done on the property resulted in a discovery.

I have discussed the matter with Mr. Bailey of the Survey, and we are in accord that it all depends upon what is considered minable or economically recoverable ore and the reserves of such ores.

While exploration work was under way, the Company requested a direct loan of $50,000 from DMPA and its application was given a docket number DMPA-2075. By letter, dated October 2, 1951, from Tom Lyon, we were requested to examine the Donner mine "to determine if there is a sufficient tonnage of ore of minable grade to warrant the loan requested."

Two examinations of the property were made in response to Mr. Lyon's request. Accompanying my memorandum to Defense Minerals Exploration Administration, dated March 14, 1952, subject: Docket DMA-2075, Sierra Copper Company, Donner Mine, Direct Loan $50,000 (Zinc-Copper), were four copies of each of the two following reports: 1. DMA-2075, Sierra Copper Company, Calaveras County, Calif. by Arvid A. Stromquist, Geologist, U. S. Geological Survey, dated March 7, 1952. 2. DMA-2075, Sierra Copper Company, Donner Mine, Calaveras County, Calif. by W. T. Benson and Benjamin H. Sheahan, Mining Engineers of the U. S. Bureau of Mines, dated February 12, 1952.

on loan from DMPA (through)

These two reports probably went to DMPA and are in the DMPA files, so that you are unaware of their existence. In the first of the two listed reports there is a two and one-half page discussion of ore reserves as calculated by the geologists; a similar length discussion of ore reserves appears in the second, or engineers' report.

Copies of these two reports are not being made for you at this time, as it is our thought that you have access to the DMPA files and can get a copy of each from there.

It is noted in the geologist's report that "The ore zone explored by the applicant's completed exploration program contains a maximum of 214,000 pounds of copper, with a gross value of about $52,000, in ore with an average grade of 1.4 percent copper." Based upon a higher cutoff point, the engineers and geologist estimate that the exposed ore has a gross value of approximately $25,000.

It is agreed by both engineers and geologist that further exploration of the property would increase the size of the reserves but probably not raise the grade of the ore.

According to the cost figures submitted in the report, the ore cannot be economically mined by underground methods, concentrated and the concentrates disposed of. There is a rumor floating around that consideration is being given to mine the ore by open-cut methods, but as stated it is only a rumor and we have our doubts as to the success of such endeavor.

In carrying out the exploration program, some ore was shipped and sold, and the amount of royalty due the Government was credited to the account. Whether the company mined and shipped this ore at a profit is not known to us.

The certification as to discovery thus depends upon whether or not a body of commercial ore was found. Certainly a body of ore was indicated, which from all evidence now available can be increased in size. On that basis, a discovery should be certified. On the other hand, there is the question of whether size alone should be the criteria as to whether a discovery has or has not been made when cost figures indicate that the metal in the ore cannot be recovered at a profit. Mr. Bailey is of the opinion that a discovery has been made; I, on the other hand, am of the opinion that at today's prices for copper and today's costs, no discovery has been made. Maybe what is lacking is a sound definition of what is meant by "discovery."

Under the conditions brought out above, I hesitate to recommend that a discovery has been made. I would certainly welcome your thoughts on this matter after you have studied the two reports mentioned herein.

If you have trouble in borrowing copies of the reports from DMPA, we will gladly copy them for you and send you the copies directly.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Sierra Copper

11-4-52

Questions asked Mr. Miller today by Telephone

(1) What geologic feature controls the ore? Is it following a fault across the foliation?

(2) Is the extended drift (or xcut) to follow the present lead, or is it to prospect for ore zones along foliation ahead of the present face? yes

(3) What happened geologically in the present East face to make the assays drop off and the miners slash out the heading?

(4) Why not develop reserves by underground drilling down along the plunge of the ore from present xcuts?

(5) Is there any indication of plunge to the high grade shoots No

(6) Geologic map of underground workings

(7) Certificate of Discovery

11-4-52

This date we discussed recently with Mr. Miller Region III and Mr. Keller. Mr. Miller promised to furnish a geological map of the workings level of the property. also that he would advise Mr. Smith (the applicant) that we disapproved of his proposal to do the drifting with power. Mr. Miller likewise said he definitely approve the proposal

10/31/52 rgla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

October 29, 1952

Air Mail

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1131X (Copper) - Contract Idm-E104
Sierra Copper Company, Calaveras County, Calif.

On October 10, Mr. F. L. Knouse telephoned me for information as to the location of the diamond drill holes proposed to be drilled on the subject property. The location of the holes had not been spotted on the geologic map sent to the Washington Office with my subject memorandum to Frank E. Johnson, dated September 30, 1952.

Mr. Bailey hesitated to spot the location of the holes asked for by the applicant to be drilled in the "gossan" area northeast of the shaft because the map made by his geologist showed no extensive gossan area as we had been led to believe was in that area. In order to be absolutely certain that the so-called gossan area was not there, Mr. Bailey personally examined the area to check his geologists' prior conclusions.

Mr. Bailey checked the map drawn by L. D. Clark and D. B. Tatlock, dated September 1952, and reported to me that the so-called gossan area was merely an area of stained rock with only a few spots of gossan.

Two copies of Mr. Bailey's memorandum of October 24, Subject: Field check of the gossan area of the Sierra Copper Company's Donner Mine, Calaveras County, California, DMEA 1131, are attached. His conclusion is that because of the small extent of the other gossan bodies and because their color indicates they were derived from leaching of the pyrite-bearing rock, he does not recommend diamond drilling to explore the ground beneath them. I concur with Mr. Bailey that the proposed two drill holes should not be drilled.

This information was imparted to the applicant, Mr. Ronnie Smith, who called yesterday on the telephone from Los Angeles. Mr. Smith is satisfied with our conclusions and is no longer interested in carrying out the proposed drilling.

He asked, however, that you in Washington give further consideration to his proposal to extend the drift 150 feet northeast. He is willing to do this drifting, despite the difference of opinion out here as to whether it would prove anything or not. Mr. Bailey is not 100 percent sold on the idea, whereas my mining engineers have recommended it be done. I cannot act as umpire as I am not familiar with the property. It seems, therefore, it is up to you in the Washington Office to decide whether the chance of finding new ore or extension of the present ore body is warranted.

Mr. Smith says he must know whether or not his request for extending the drift will be granted by not later than November 7. On that date his agreement with the owner of the property expires, and if his application is to be denied, he wants to let the whole matter drop. This does not leave much time for you to consider the matter. However, if you can decide what will be done say by not later than November 3 or 4, kindly let Mr. Smith know. He has requested we let him know at his Dallas address which is Sierra Copper Company, Tower Petroleum Building, Dallas, Texas. He asks that a copy of the letter you send him at Dallas be sent to his home address which is Collierville, Tennessee.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR

Geological Survey

102 Old Mint Building
San Francisco 3, California

October 24, 1952

Memorandum

To: H. C. Miller

From: E. H. Bailey

Subject: Field check of the gossan area of the Sierra Copper Company's Donner Mine, Calaveras County, California, DMEA 1131

The Donner Mine, Calaveras County, California was visited on Thursday, October 18, by Jacques Robertson and E. H. Bailey of the Geological Survey. The purpose of the visit was to determine whether the gossan outcrops near the Donner shaft were small bodies as indicated on the map by Clark and Tatlock of the Geological Survey or whether there was a possibility that a large gossan mass extended 500 feet northeast of the Donner shaft.

Our field check indicated that the map by Clark and Tatlock is virtually correct insofar as the distribution of the gossan outcrops is concerned. We were able, however, to find two small areas of gossan that are not shown on that map. The rock exposures in the area under consideration amount to at least 50 percent. The rock other than gossan is a fine-grained green stone and this unaltered rock is exposed in many places. Because the rock around the gossan outcrop is somewhat more resistant to erosion than elsewhere, the gossan patches indicated on the map are definitely limited in extent. While there is a remote possibility that some of the covered area may be underlain by gossan, this seems unlikely. The Donner shaft was put down on one of the small gossan outcrops; however, this outcrop was one of the most favorable and it is the only one that we saw which contained copper staining in its outcrop. Most of the other gossan exposures are red-brown in color indicating they are derived from the leaching of pyrite-bearing rock. The leaching of rocks containing copper sulfides in the foothill copper belt commonly gives rise to brown or yellow-brown gossans. It is our opinion, therefore, that the Donner shaft was put down on the most favorable gossan exposure on the property.

Because of the small extent of the other gossan bodies and because their color indicates they were derived from leaching of pyrite-bearing rock, we do not recommend diamond drilling to explore the ground beneath them.

/s/ Edgar H. Bailey

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 7, 1952

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Reports of Review, Contract Idm-E104, Docket DMA-1131X (Copper), Sierra Copper Company, Calaveras County, Calif.

Reference is made to your letter, dated September 22, concerning subject contract.

Evidently you had not received my memorandum to you, dated September 19, when you wrote your September 22 letter. In that letter I suggested that the matter of waiving the Government's interest in some small items on the Sierra Copper Company property would be held in abeyance until decision has been reached as to whether additional work contemplated will be carried out under a new contract or an amendment to the old contract.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: E. H. Bailey, USGS

10/9/52 gla

Das

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

Sept. 30, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1131X (Copper), Contract Idm-E104
Sierra Copper Company, Calaveras County, Calif.

Relative to subject docket, we are enclosing herewith four copies of a geological map of the surface area of the Sierra Copper Company's property in Calaveras County, California. This map was prepared by the Geological Survey at the request of Mr. F. L. Knouse in a telephone conversation on September 17 with H. C. Miller.

S. Ricker for
H. C. Miller, Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno (With map)

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

September 19, 1952

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA 1131X (Copper), Contract Idm-E104, Sierra Copper Company, Calaveras County, California

Further reference is made to your letter to me, dated August 13, concerning waiver of the Government's interest in some small items not completely consumed on the subject property.

We now have a report from one of our engineers, recommending that the Government's interest in the powder magazine and in the small items of equipment, acquired jointly by the Operator and the Government, be waived. However, certain events which are still pending seem to make it advisable not to waive the Government's interest in any of the items at the present time. The Sierra Copper Company through Mr. Ronnie Smith has filed an application for an exploration loan to do some more work at the property. According to word received from the Washington Office, it has not been settled in Washington if the work, if allowed, will be under a new contract or will be carried out under an amendment to the old contract.

Mr. Knouse of DMEA who is handling the application in Washington tells me that the decision as to how the new work, if approved, will be handled is up to the Chief Counsel.

It is advisable, therefore, to defer waiver of the Government's interest in the equipment until these other matters have been settled.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 23 1952

Copy to DMEA, Interior Bldg.,
Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

9/16/52 gla.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
WASH. D.C.
SEP 16 1952

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

September 10, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1131X (Copper), Contract No. Idm-E104, Sierra Copper Company, Calaveras County, California

Reference is made to your subject letter, dated June 26, 1952, and to my memorandum on the same subject, dated July 2, addressed to Mr. Roy G. Mead, Vice President, Sierra Copper Company. A copy of that memorandum was sent to your office.

Yesterday Mr. Ronnie B. Smith, President, Sierra Copper Company, Dallas, Texas, called at this office. Mr. A. C. Johnson, Chief, Mining Division, Bureau of Mines, Region III, Reno, Nevada, was in the office at the time, so that the three of us discussed your letter and the proposal you submitted for our consideration and comment of a possible exploration project.

The three of us agreed that it would be desirable to continue the drift northeast on the 100-foot level 150 feet. Mr. Smith, however, informed us that the lowest bid he could get on that work was $29.00 a foot.

As to your suggestion (2), we agreed that two diamond drill holes should be drilled at a minus forty-five degree angle to intercept the mineralized zone and explore the vein in depth under the gossan area northeast of the present workings. Each hole is to be plus or minus 300 feet long. Then, if the results of that drilling are encouraging, two additional vertical holes should be drilled between the gossan area and the shaft to cut the vein. The four diamond drill holes would have an aggregate length of about 1200 feet. The cost of drilling, as estimated, will be $7.00 a foot.

On the above basis, the total cost of the project would be $12,750.

The location of the drill holes should be dependent upon the results of geologic mapping of the area by the Geological Survey. As the rainy season will soon be upon us, it is suggested that the area be geologized soon and diamond drilling started as soon thereafter as possible.

We await your suggestions on what we should do next.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to Mr. Ronnie B. Smith, Dallas, Texas
Mr. E. H. Bailey, USGS
Mr. A. C. Johnson, Reno, Nevada

OFFICE OF THE ADMINISTRATOR

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, California

September 2, 1952

Mr. Jay L. Chambers, Chief
Contract Administration and
Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re.: Contract No. Idm-E104
Docket No. 1131X
Sierra Copper Company

Dear Mr. Chambers:

Your letter dated August 13, 1952 received.

There are attached for your files two copies of S.F. 1044, Schedule S.F.-DMA-1 covering collection and deposit of $9.63 representing one and one half percent royalty on net smelter returns on two shipments by Sierra Copper Company. Apparently, copies prepared for your files and transmitted under date of April 30, have gone astray.

The matter of waiver of the Government's interest in small items of supplies has been referred to the inspecting engineer for his recommendation.

Your remarks with respect to Mr. Talbert's visit are appreciated, however, we also wish to express our gratitude for assistance and advice given us by Mr. Talbert.

Very truly yours,

S. Ricker Acting for
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosures

FILE COPY
SURNAME:
800

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

Chambers

AUG 13 1952

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Attention: Mr. Lloyd L. Norvell
DMEA Finance Officer

Re: Contract No. Idm-E104
Docket No. 1131X
Sierra Copper Company

Dear Mr. Miller:

Reference is made to a letter from Mr. Talbert in regard to project Idm-E104, Sierra Copper Company. The payments as listed in Mr. Talbert's letter as coming from your records are in agreement with our pay cards with the exception of a $9.63 collection item, which, for some reason, has not reached our office. We shall make a search in the docket file for this letter.

Mr. Talbert states that a Report of Review is in order when the Executive Officer issues a waiver of the Government's interest in some small items not completely consumed on the project.

I want to quote the following sentence from Mr. Talbert's letter and express the thanks of the Administration for your fine spirit of cooperation in our mutual task.

"Everyone in this office, from Mr. Miller on down the line, has been very cooperative and most accommodating —— in all it has been a very pleasant visit and I regret having to leave."

Sincerely yours,

Signed

J.L.
8-13-52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
August 11, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Talbert
Mr. Chambers

Anne Alley

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

1012 Flood Building
870 Market Street
San Francisco 2, California

Air Mail

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 11 1952

Dear Mr. Chambers:

I have just discovered that there is one completed contract here, which I didn't have on my list, that is Idm E-104, Sierra Copper Company, with payments as follows:

July	$1,752.37	October	$1,667.69
August	1,659.44	November	1,738.03
September	1,323.98	December	164.99

Please have Mrs. Alley check her records on this. Also she should have a royalty payment of $9.63 per Schedule of Collections No. SP-DMA-1, December, 1951, sent to us by letter of April 30, 1952.

A Report of Review has been prepared on this contract, but I am withholding release pending the issuance of a waiver of the Government's interest in a small item of equipment and a powder magazine. Certain items of costs were charged at the estimated rates shown in the exhibits attached to the contract, but even if these were disallowed in their entirety the allowable costs would still be in excess of the contract amount, which is the amount claimed by the operator and the basis for final payment. Therefore, I consider the issuance of a Report of Review justified.

Today will finish my job here, and tomorrow I'll be on my way toward Tucson, Silver City and "Bullfrog." I was rather surprised that Washington changed their mind about Keating, also visiting the project ----- and, of course, wonder why.

Everyone in this office, from Mr. Miller on down the line, has been very cooperative and most accommodating ----- in all it has been a very pleasant visit and I regret having to leave.

Give my regards to our "force."

Yours truly,

E. D. Talbert

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 2, 1952

Mr. Roy G. Mead, Vice President
Sierra Copper Company
920 Burchett Street
Glendale, California

Re: Docket DMA-1131X (Copper)
Contract No. Idm-E104
Sierra Copper Company
Calaveras County, Calif.

Dear Mr. Mead:

We have received word from the Washington Office of DMEA that your request covering additional exploration work at the Sierra Copper Company mine in the amount of $23,500 has been reviewed.

The Washington Office hesitates to accept (or reject) the proposed project because the geologic picture is not too clear, and because there is very little information available on the structures that might control the mineralization, or on the relationship of the underground development to the extensive gossan exposure northeast of the shaft.

As neither we nor the Geological Survey have the information that is needed in the Washington Office, it will, perhaps, be necessary to have our geologists map the geology of the surface and underground workings before further consideration can be given to your Company's application. This seems especially important, as there is considerable controversy as to whether additional exploration work will add sufficiently to the ore reserves to justify a production loan.

In order to ease our thinking a bit, do you think that Mr. Smith would be interested in a project involving, say, the continuation of the drift northeast on the 100-foot level 150 feet at $25 a foot and diamond drilling to establish the width of the mineralized zone and to explore the vein in depth, say, 1,000 feet of hole at $7.00 a foot? Such a project would cost approximately $10,750.

We shall appreciate your comments on the above.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 7 - 1952

Very truly yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to DMEA, Interior Building, Washington 25, D. C.
E. H. Bailey, USGS

FILE COPY
700 SURNAME:

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

JUN 26 1952

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
870 Market Street
San Francisco 2, California

Re: Docket DMA-1131X (Copper)
Contract No. Idm-E104
Sierra Copper Company
Calaveras County, California

Dear Mr. Miller:

We, as well as the commodity specialists of the Bureau of Mines and the Geological Survey, have reviewed the request of the Applicant to extend the subject contract to cover additional exploration work in the amount of $23,500.00. We are of the general opinion that some additional work may be justified, but we are not certain that the proposed project is such that would give the most information.

Not having too clear a picture of the geology of the property and very little information on the structures that might control the mineralization nor the relationship of the underground development to the extensive gossan exposure northeast of the shaft, we hesitate to accept (or reject) the proposed project.

We believe the relationship of the geology of the surface and underground workings should be mapped or, if your engineers have that information, it should be supplied this office. It appears rather unlikely that the exploration work proposed by the Applicant, recommended by the Field Team or suggested by us will add sufficiently to the ore reserves to justify a production loan.

The following proposal is submitted for your consideration and comments:

(1)	Continue the drift Northeast on the 100-ft. level 150 ft. $25.00 per ft.	$3,750.00
(2)	Diamond drill to establish the width of the mineralized zone and to explore the vein in depth 1,000 ft. $7.00	7,000.00
	TOTAL ESTIMATED COST	$10,750.00

There may be reasons why the proposed exploration project suggested above would not be feasible or acceptable to the applicant. If so, we shall appreciate your observations.

Sincerely yours,

(signed) FRANK E. JOHNSON
(FHB)

Chairman, Operating Committee

APPROVED:

J. H. Hedges (FHB)
Member, Bureau of Mines

D. M. Lemmon (FHB)
Member, Geological Survey

FK
6-26-52

FEKeller/jem
6/23/52
cc to: Adm. Reading File
Docket
Messrs. C.H.Johnson-3621
Ned Nelson-4216 GSA
Ellis Keller
Opr. Committee
Field Team, Region III

IN REPLY REFER TO:

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

June 2, 1952

Memorandum

To: Mr. H. F. Keller

From: N. E. Nelson

Subject: DMA-1131X, Contract Idm-E104, Sierra Copper Mines

Comparison of the results of three samplings of the shaft, drifts, crosscuts and raises indicated different ends were being served.

Since we are not told who did the sampling shown on the North-South section, drawn by Stan Pruss and as widths are not always given, the section which accompanies the application for an extension loses value.

The conclusions of Mr. Arvid A. Stromquist appear to be valid, if as indicated, he is convinced the large gossan area mentioned has no chance of being an outcrop of a larger and more valuable lens that that prospected.

The fact that this is a "foothills" prospect and so similar to other foothills prospects should not be given too much weight. If the vein lay with the schistosity rather than across it, it would appear to have a better chance.

Diamond drilling, having in view the chance of there being something larger in the vicinity, should be considered before more money is spent developing such an orebody.

Bruce J. Ryan
for

N. E. Nelson
Geologist

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

Mr. H. C. Miller, Executive Officer
Region III, DMEA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket DMA-1131X (Copper)
Exploration Project Contract
Idm-E104
Sierra Copper Company
Calaveras County, California

Dear Mr. Miller:

We are enclosing a copy of an application to extend and amplify the subject contract in such a manner as to permit a more complete exploration of the Donner Mine.

Before we can correctly judge the merits of this proposed additional exploration work, we should have not only the information your engineers obtained when they recently examined and sampled the mine, but also your final report on the terminated contract and any geological plans or maps that are now available.

The sample maps furnished with this supplemental application, while containing the results of a large number of samples, are of little value to an engineer trying to estimate the tonnage and grade of the ore that was discovered and partially developed. Neither the cut samples nor car samples have been taken systematically enough to permit an accurate calculation of any ore blocked out by the exploration project and subsequent development by the Company.

In case you believe that additional exploration work should be done, would it not be possible to obtain the additional information by diamond drilling rather than by sinking the shaft and drifting on the vein? By this method we should be able to obtain sufficient data to establish or disprove the presence of ore on the 200 foot level at an estimated cost which would be considerably less than that of the proposed project.

If you recommend a continuation of the exploration of the property, in line with the proposed project of the supplemental application then we would recommend that provision should be made in the estimated costs of the project to provide for sampling and assaying. In future explorations of this type we believe the Field Team should recommend that all mineralized areas discovered by the exploration project should be accurately sampled and mapped.

Sincerely yours,

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure

APPROVED:

_____
Member, Bureau of Mines

_____
Member, Geological Survey

May 24, 1952

Defense Minerals Administration
Washington, D. C.

Re: Docket DMA-1131X (Copper)
Exploration Project Contract Idm-E104
Sierra Copper Mines

Gentlemen:

Referring to Idm-E104 Exploration Contract dated July 11, 1951, I wish to advise that the expenditures set up in the subject contract amounting to $16,613 for the exploration or discovery of commercial copper ore bodies at the Donner Mine, Calaveras County, California, have been made and the underground work specified in the contract has been completed.

According to the reports of the U. S Geological Survey and the Bureau of Mines, the exploration work did not disclose a sufficient body of copper ore to justify the granting of a development loan (application DMA 2075); the application was therefore rejected.

A supplemental examination by the Engineers of the Bureau of Mines was ordered by Mr. H. C. Miller because of the showing of additional ore made by the applicant company.

At a conference had on May 22, 1952, between Mr. H. C. Miller, Regional Director of the Bureau of Mines and Mr. Roy G. Mead, engineer for the Sierra Copper Company, Mr. Miller stated that the report of the engineers for the Bureau of Mines indicated that further exploration work was necessary before a development loan could be considered.

At the aforesaid conference it was suggested that additional exploration work be carried on by extending the existing contract and modifying it to cover the cost of the suggested exploration work. It was agreed by Mr. Miller and Mr. Mead that the following work be performed under Contract Idm-E104 and that the contract be modified and extended to cover the cost of the additional work as follows:

(1)	Deepen the present shaft 110 feet at an estimated cost of $100 per foot	$11,000
(2)	Drift 400 feet to the northeast from the 200' level in the shaft @ $25.00 per foot	10,000
(3)	Cross cut north and south from the end of the 400' northeast drift 50' each way	2,500
	Total Cost.	$23,500

In my opinion the aforesaid exploration program would result in the discovery of a commercial copper ore body which would justify the necessary development. I, therefore make application for the purpose of extending the subject contract and to modify it to include the cost of the aforesaid exploration work. It being understood that the applicant bear 50% of the amount specified in the extended contract.

Very truly yours,

SIERRA COPPER COMPANY

By Ronnie Smith
Ronnie Smith, Pres.

RGM:bm

P.S. An assay map of the underground workings prepared by the applicant accompanies this application.

6/4/52 gla

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, California

May 22, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1131X, Contract Idm-E104, Sierra Copper Company

Attached are four copies of a report, "DMEA Contract Idm-E104, Sierra Copper Company - Donner Mine, Calaveras County, California, by Glenn G. Gentry and L. F. Muller, Mining Engineers, U. S. Bureau of Mines, dated April 23, 1952."

The supplemental sampling reported on in the accompanying report was carried out in an endeavor to satisfy the applicant company which originally was not entirely satisfied with the results of our earlier sampling of a shaft.

Although Defense Materials Procurement Agency has denied the applicant's request for a production loan, I believe that that agency should be given an opportunity to see this supplemental report, as when I was in Washington last, that agency told me it would reconsider its denial of the loan if our resampling resulted in a better picture of the copper possibilities.

The Reno engineers - Mr. Johnson and Mr. Gentry - are of the opinion that consideration should be given by Defense Minerals Exploration Administration to grant a further exploration loan to the applicant. Mr. Bailey of the Geological Survey, on the other hand, is of the opinion that additional exploration work may not result in increasing the average grade of the present reserves but would only, if successful, increase the reserves.

DEPARTMENT OF THE INTERIOR
Defense
MAY 23 1952

SDS

The matter of doing additional exploratory work was discussed with the applicant's consulting engineer and geologist, and he agrees with our engineers that further exploration seems justified. He is, therefore, planning to suggest to Mr. Ronnie Smith, the applicant, that an application to do additional exploration work be filed with Defense Minerals Exploration Administration. Should Mr. Smith concur, then you should hear from him shortly.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: E. H. Bailey, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

SUPPLEMENTAL

DMEA Contract Idm-E104, Sierra Copper Company - Donner Mine

Calaveras County, Calif.

Glenn G. Gentry, Mining Engineer
U. S. Bureau of Mines

L. F. Muller, Mining Engineer
U. S. Bureau of Mines

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 27 1952

April 23, 1952

Reviewed by
DMEA OPERATING COMMITTEE
6-2-52
(date)

SUPPLEMENTAL

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA Contract Idm-E104, Sierra Copper Company - Donner Mine
Calaveras County, Calif.

The Donner Mine of the Sierra Copper Company has been examined by engineers[1] of the U. S. Bureau of Mines and a geologist[2] of the U. S. Geological Survey and a report written on Feb. 12, 1952.

The original contract, Idm-E104, in the amount of $16,613 has been completed and the final report has been forwarded to the Washington, D. C. office.

The examining engineers of the U. S. Bureau of Mines are of the opinion that sufficient mineralization has been proven by the present development work to justify a further exploration program.

The geologist of the U. S. Geological Survey has concluded that it is unwise to grant the applicant additional Government funds for further exploration because the overall grade of the ore zone is far too low to permit it to be mined profitably and the better parts are so small as to require disproportionately large expenditures to find them.

The Sierra Copper Company are now requesting consideration of a Government exploration loan in the amount of $50,000 to be expended as follows:

Mine equipment	$19,200
Repair of the Mountain King mill	4,500
Sinking shaft 100 feet	10,000
Mine development and working capital	16,300
Total	$50,000

1/ W. T. Benson and B. H. Sheahan.
2/ A. A. Stromquist.

Pursuant to this request for reconsideration, an examination of the mine was made from April 14-18, 1952 by engineers[3] of the U. S. Bureau of Mines for the purpose of securing additional samples of the ore exposed in the shaft and samples of ore exposed in new workings, both east and west of the shaft, on the main level. The assay results of these samples and the locations of the samples have been designated on the attached maps.

The examining engineers of the Bureau of Mines are unanimous in their opinion that the mineralization exposed in the mine and the potential possibilities of finding additional reserves of ore underlying the extensive gossan exposure northeast of the shaft, are sufficiently significant to justify favorable consideration of the following exploration program:

Deepen the present shaft an additional 110 feet @ $75/ft.	$ 8,250
From the 200-foot level of the shaft drift northeast a distance of 400 feet @ $25/ft	10,000
At the eastern end of the 400-foot drift, crosscut 50 feet north and 50 feet south equals 100 feet @ $25/ft.	2,500
Total	$20,750

The operating personnel for the proposed exploration program would consist of:

1- Foreman	@	$15.00 per day
2- Miners	@	$13.70 = $27.40 per day
1- Hoistman	@	$12.74 per day
1- Top man	@	$12.74 " "
1- Mucker	@	$13.70 " "

3/ Glenn G. Gentry and L. F. Muller.

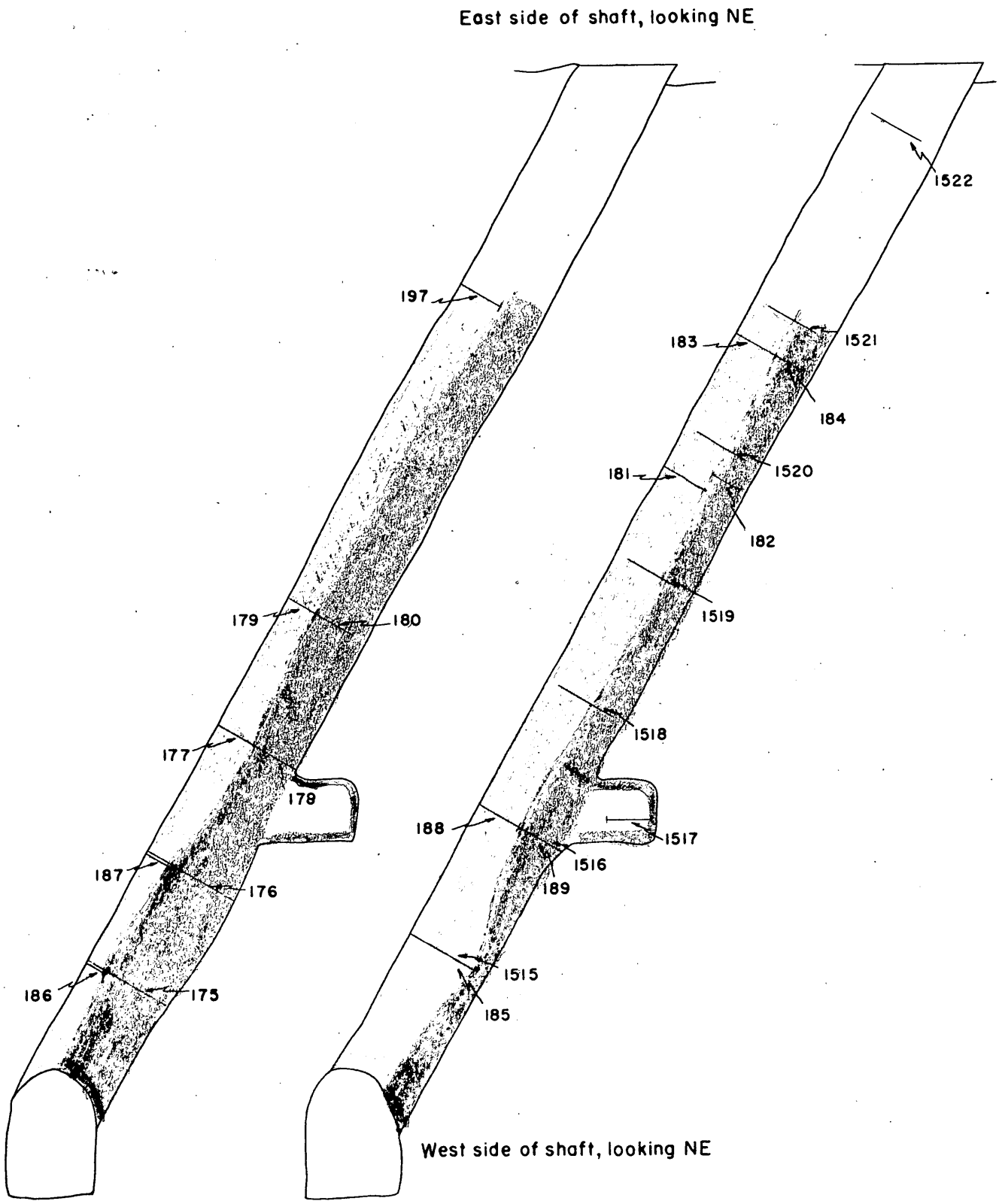


Figure - Detail of shaft sampling, Sierra Copper Co.

The equipment presently on hand at the mine is adequate for the proposed exploration program, and it is estimated that the project could be completed in approximately five months time.

It is suggested that payments be made on a footage basis, as follows:

Shaft sinking, including timbering and all equipment	$75/ft.
Drifting and crosscutting and all equipment	$25/ft.

A strong gossan exposure about 500 feet in length by 250 feet in width can be traced northeastward from the shaft and it is underlying this area that the greatest possibilities for future production are considered to exist. Mineralization has increased noticeably in the present face of the northeast drift on the 100 level and in two winzes which have been started below the tunnel level.

CONCLUSIONS

If future sources of production of copper-zinc ores are desired, then this area is recommended for exploration by means of the proposed program.

The sulfide ore deposits situated to the north-south and west of the Donner Mine are all similar in character to the Donner deposit and have been developed to depths in excess of 1,500 feet.

SAMPLING

Sample No.	Analyses Cu	Pb	Zn	Ounces/Ton Au	Ag	Description
BM-175	0.42	0.1	0.2	Tr	Tr	East side of shaft and 8 feet above back of level. Width of sample 6.5 feet.
BM-176	3.70	0.1	0.2	0.015	0.50	East side of shaft and 8.5 feet above BM-175; width of sample 7.0 feet
BM-177	2.80	0.1	0.4	0.015	0.80	East side of shaft and 10 feet above BM-176; width of sample 3 feet. High grade ore under hanging wall. Heavy sulphides.
BM-178	1.51	0.1	0.2	Tr	0.20	East side of shaft and same elevations as BM-177; width of sample 3 feet. Low grade ore on footwall. Not much mineralization.
BM-179	13.38	0.1	0.2	0.03	1.95	East side of shaft and 10 feet above BM-178; width of sample 2 feet. Ore on hanging wall side. Heavy sulphides.
BM-180	1.36	0.1	0.3	Tr	Tr	East side of shaft and same elevation as BM-179; width of sample 3 feet. Low grade ore on footwall. Not much sulphides showing.
BM-181	1.99	0.1	0.2	0.005	0.20	West side of shaft and 10.5 feet above BM-180; width of sample 3.3 feet. Heavy sulphides on hanging wall.
BM-182	0.10	0.1	0.2	Tr	Tr	West side of shaft and 1 foot above BM-181; width of sample 29 inches. Low grade ore on footwall. Small stringers carrying sulphides.
BM-183	0.08	0.1	0.2	0.01	0.40	West side of shaft and 10.5 feet above BM-181; width of sample 37 inches. Highly leached and oxidized material on hanging wall side.
BM-184	0.03	0.1	0.2	Tr	Tr	West side of shaft and same elevation as BM-183; width of sample 22 inches. Hard material with small stringers of sulphides.
BM-185	0.07	0.1	0.2	Tr	Tr	West side of shaft and same elevation as BM-175; width of sample 58 inches. Heavy sulphides on hanging wall.
BM-186	9.40	0.1	0.2	0.02	1.40	East side of shaft and same location as BM-175; width of sample 1.1 feet. High grade sulphides on hanging wall.
BM-187	3.39	0.1	0.2	0.01	0.50	East side of shaft and same location as BM-176; width of sample 20 inches. Heavy sulphides on hanging wall.

Sample No.	Analyses Cu	Pb	Zn	Ounces/Ton Au	Ag	Description
BM-188	3.78	0.1	0.2	0.01	0.55	West side of shaft and 3 feet above BM-176; width of sample 38 inches. Heavy sulphides on hanging wall.
BM-189	1.97	0.1	0.2	0.005	0.20	West side of shaft and same elevation as BM-188; width of sample 43 inbhes. Well mineralized.
BM-190	1.61	0.1	0.2	0.005	0.10	Face of east drift on main level; width of sample 33 inches. Massive sulphides. Hanging wall and footwall not exposed.
BM-191	3.72	0.1	0.4	0.01	0.70	West face of No. 4 raise; 28 inches above back of main level; width of sample 50 inches. Heavy sulphides; mostly iron pyrites.
BM-192	7.53	0.1	1.0	0.015	1.25	No. 1 winze in east drift, main level. Below No. 3 raise; width of sample 38 inches. Taken 2 feet below floor of level and across north face of winze. Heavy sulphide mineralization and considerable chalcopyrite in seams.
BM-193	0.09	0.1	0.2	Tr	Tr	Face of No. 3 raise at 11.5 feet above back of main level. Taken after round blasted at 3:15 pm on 4/16/52; width of sample 3 feet. Massive iron pyrite.
BM-194	0.12	0.1	0.2	Tr	Tr	Chip sample and shovel sample from muck pile of about 4 tons of material blasted from No. 3 raise on 4/16/52
BM-195	8.77	0.1	0.2	Tr	Tr	From No. 2 winze 65 feet west of shaft and on main level. Winze about 3½ feet deep; width of sample 5.7 feet. Taken 2 feet below track on main level. Heavy iron sulphides and considerable chalcopyrite.
BM-196	19.90	0.1	0.2	0.02	2.10	Taken across 6 inch east-west fracture on north face of No. 2 winze. Reported to be high grade material and is probably chalcocite.
BM-197	8.81	0.1	0.2	0.015	1.60	East side of shaft at bottom of oxidized zone. Same elevation as BM-184; width of sample 35 inches. This material is highly leached.

FIR Mail

Mr. [illegible] Miller
Executive Officer, Region III
DMEA Field Team
1012 [illegible] Building
870 Market Street
San Francisco 2, California

Re: Docket No. [illegible]-1131 (Copper)
Contract No. [illegible]-114
Sierra Copper Company
Calaveras County, California

Dear Mr. Miller:

The "Operators Monthly Progress Report" of the subject contract, for the month of December 1951 shows that a total of $19,369.68 was expended to that date. The total estimated cost of the project was $16,413.00, and as we have received no amendment to provide additional time nor subsequent progress reports, we assume that the contract has been terminated.

We would appreciate receiving from you a report on the present status of this contract and the final report of the operator if the contract has been completed and terminated. We understand that some ore was discovered, in which case we should have the necessary data to move out a certificate of discovery within the six month period stipulated in the contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

HKeller/jem
5/14/52
cc to: Adm. Reading File
Docket
Messrs. C. Johnson, Rm. 3621
Red Nelson, Rm. 4216 GS
Lillie Keller
J. L. Chambers, Rm. 2612
Field Team, Region III
Operating Committee

/s/ J. H. Hodges
For Bureau of Mines

/s/ D. M. Lemmon
For Geological Survey

/00 FILE COPY
SURNAME:

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

AIR MAIL

MAY 1 5 1952

Mr. H. C. Miller
Executive Officer, Region III
DMEA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA-1131 (Copper)
Contract No. 1dm-2104
Sierra Copper Company
Calaveras County, California

Dear Mr. Miller:

The "Operators Monthly Progress Report" of the subject contract, for the month of December 1951 shows that a total of $19,369.60 was expended to that date. The total estimated cost of the project was $16,613.00, and as we have received no amendment to provide additional funds nor subsequent progress reports, we assume that the contract has been terminated.

We would appreciate receiving from you a report on the present status of this contract and the final report of the operator if the contract has been completed and terminated. We understand that some ore was discovered, in which case we should have the necessary data to make out a certificate of discovery within the six month period stipulated in the contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

HFKeller/jem
5/14/52
cc to: Adm. Reading File
Docket
Messrs. CHJohnson, Rm. 3621
Ned Nelson, Rm. 4216 GS
Ellis Keller
J. L. Chambers, Rm. 2612
Field Team, Region III
Operating Committee

/s/ J. H. Hedges
For Bureau of Mines

/s/ D. M. Lemmon
For Geological Survey

A. C. Johnson, Chief, Mining Div., Reg. III Feb. 19, 1952

W. T. Benson, Mining Engineer, Bureau of Mines, Reg. III

Inspection of the Sierra Copper Co. property
Docket DMA-1181X - Contract Idm-2104

For the purpose of inspection and sampling new development openings, the property of the Sierra Copper Co. was visited during the period February 13 to 16, 1952.

In the west workings, the south drift was extended an additional 18 feet. Near the face of this drift a crosscut was driven south 52 feet to its intersection with a well-defined fault.

New work in the east workings consisted of extending the north crosscut 12 feet and extending the main drift 45 feet in an easterly direction.

Rock formations encountered in the south drift and crosscut comprised schistose greenstone which contained small stringers and bunches of pyrite with some disseminated chalcopyrite along bedding planes.

In the east workings only slight mineralization was disclosed in the north crosscut. Heavy pyrite mineralization with bunches of chalcopyrite was encountered for a distance of 40 feet in the main heading. At the time of visit the face of the drift was in well mineralized material. By observation it is estimated the ore encountered in this section of the drift will average better than 5 percent copper. New work is shown in green on the attached plan map.

In a recent report it was suggested the ore possibilities had not been exhausted. The disclosure of new ore in the east heading bears out the fact that additional work is necessary to prove the ore possibilities within the area.

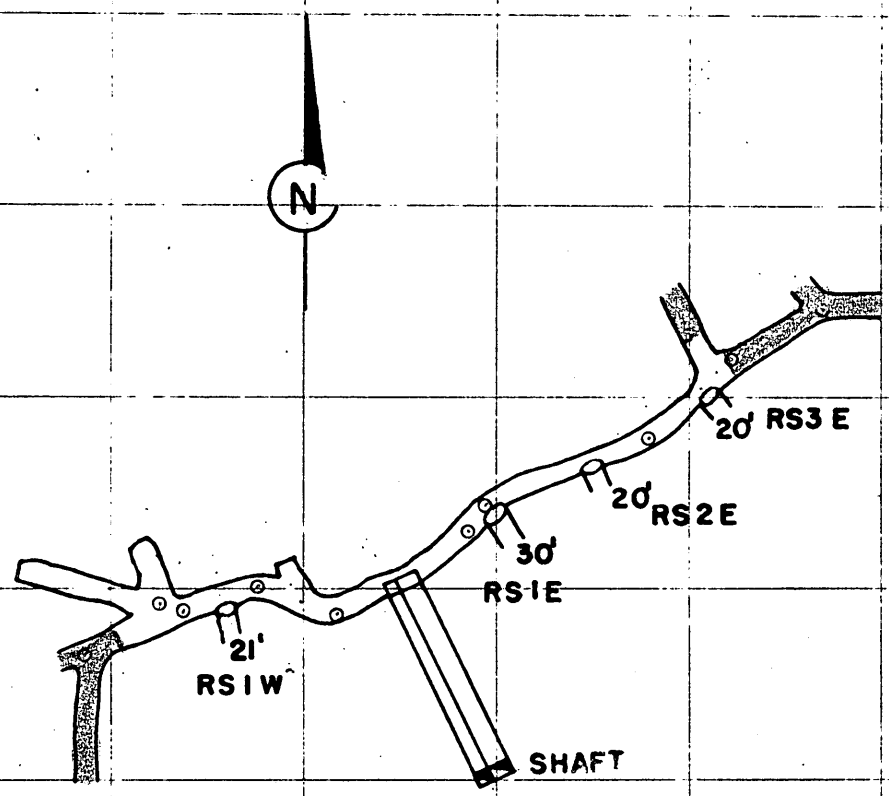
Forms MV-104 supplied this office for the month of January show that a total of $19,368.68 has been expended in the project to date. This amount is $2,756.68 in excess of the total allotted contract amount of $16,613. The December account amounted to $16,282.99. If this figure is subtracted from the $16,613, the total amount allotted in the contract, $330.01 remains, which is the amount that will have to be considered in making the final settlement. Any amount in excess of $330.01 will have to be disallowed.

W. T. Benson.

W. T. Benson

DEPARTMENT OF THE
Defense Minerals Adm.
RECEIVED
MAR 14 1952

Attach.



PLAN MAP
SIERRA COPPER CO.
CALAVERAS CO. CALIF.
SCALE 1" = 50'
FEBRUARY 19, 1952

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 110

JAN 5 1952

Memorandum

To: Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, San Francisco, California

From: Operating Committee, Defense Minerals Exploration Administration, Washington 25, D. C.

Subject: Docket No. DMA-~~2075~~ 1131, Contract Idm-E104, Sierra Copper Company, Donner Mine.
Direct loan $50,000 (Zinc-Copper)

Reference is made to your memorandum dated December 21, 1951, addressed to Mr. Mittendorf, in which you have reported the status of your reports on the above-captioned case.

You have advised that Mr. C. A. Rockwood, mining engineer for the RFC, has also written to you in the matter and you specifically request advice as to whether your field reports should be furnished directly to Mr. Rockwood, or whether they should be sent to the Operating Committee in Washington. The answer to your question is that all reports related to defense minerals dockets are to be sent to the Operating Committee here in Washington.

Signed S.H. 1-5-52

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

For Bureau of Mines

For Geological Survey

COMittendorf/hb

Copy to: Adm. Reading File
Mr. Frank Johnson
Mr. T. P. Thayer, Rm. 5216 GSA
Mr. H. L. Hedges
DMEA Files

OFFICE OF THE ADMINISTRATOR

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

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 26 1951

Air Mail

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 21, 1951

Memorandum

To: C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-~~2075~~ 1131, Sierra Copper Company, Donner Mine, Direct loan $50,000 (Zinc-Copper)

Reference is made to the letter to me dated October 4 from Tom Lyon, requesting an examination of subject property to determine if there is a sufficient tonnage of ore of mineable grade to warrant the requested loan.

Shortly after the above request was received in this office, the Geological Survey examined the mine. Region III field team, however, was not satisfied with the results of the examination and ordered a reexamination made by the Survey in cooperation with engineers of the Bureau of Mines.

The examination was made several weeks ago and as soon as the results of the assays of the many samples taken are available, a report will be written and sent to you.

Sometime ago the Sierra Copper Company apparently also made application to the Loan Agency of the Reconstruction Finance Corporation in Los Angeles for a production loan. Letters from that agency to me referred to the loan as DMA-400499. Letters from Mr. C. A. Rockwood, mining engineer of that agency, indicates that RFC action on the loan application is being held up pending a report from us on the results of the exploratory work under contract Idm-E104.

Our reports on the engineers' and geologist's examination, of course, will be sent to you in Washington. However, what

I would like to know by immediate air mail reply is: Are we to work directly with Mr. Rockwood by furnishing him with copies of our reports and other information acquired as a result of our examination, or should our contribution to RFC be channeled through Washington?

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1 1951

Office of
Executive Officer
DMEA Field Team
Region III

1002 Flood Building
870 Market Street
San Francisco 2, Calif.

December 4, 1951

Mr. Ray G. Mead
Vice President
Sierra Copper Company
920 Burchett Street
Glendale, California

Re: Docket DMA-1131X (Copper)
Exploration Project Contract Idm-8104
Sierra Copper Company

Dear Mr. Mead:

Your letter of December 2 requesting an additional extension of thirty days beyond December 11 to complete the work authorized by contract Idm-8104 is acknowledged.

I note that as of December 2 you still have to complete 99 feet of the 125 feet of crosscutting and the 10 foot sump and that failure to complete the contract, after having been extended on October 10 for 60 days, was due to illness of two miners.

Approval is granted to extend the time of completion of the contract to January 11, 1952. This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay under the provisions of Article 13 of the contract form.

Sincerely yours,

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to C. O. Mittendorf, Washington, D. C.
A. C. Johnson, Reno, Nevada
E. H. Bailey, USGS
L. L. Norvell

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINES~~
~~REGION III~~
DEFENSE MINERALS ADMINISTRATION

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
OCT 15 8 44 AM '51

OFFICE OF
~~REGIONAL DIRECTOR~~
Executive Officer
DMA Field Team
Region III

1012 FLOOD BUILDING
870 MARKET STREET
SAN FRANCISCO 2, CALIFORNIA

October 10, 1951

Exploration Project Contract Idm-E104
Sierra Copper Co. - Docket DMA-1131X
Copper

Mr. Roy G. Mead, Vice President
Sierra Copper Company
920 Burchett Street
Glendale, California

Dear Mr. Mead:

Your letter of October 4 indicates that owing to the present scarcity of labor and equipment, together with the hardness of the rock which you are encountering in the exploration work being done under the subject contract, you find that the progress of the work is much slower than you anticipated and it now appears that it will be impossible to finish the work proposed in the contract within the three-month period provided.

I note also that at the present time you have finished 90 feet of drifting to the south, leaving 10 feet to be made in order to finish the 100 feet allowed under the contract; that 48 feet of drifting have been completed in the north drift, leaving 52 feet to be made in order to finish the 100 feet of drifting to the north as provided in the contract; that the contract provides for 125 feet of crosscutting, of which you have completed 15 feet, and that a 10-foot sump provided for in the contract has not been completed.

Your request for the extension of your contract for 60 days beyond October 11, 1951, is authorized and approved. This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Sincerely yours,

H. C. Miller
Executive Officer, DMA Field Team
Region III

Copy to: C. O. Mittendorf, Washington
E. H. Bailey, U.S.G.S.
A. C. Johnson, Reno
L. L. Norvell, San Francisco

FILE COPY
SURNAME:

Mittendorf (J.D.)

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

SEP 14 1951

A. E. C

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket No. DMA-1131X, Copper Exploration Project Contract Ldm-M104
Sierra Copper Company
~~Dallas, Texas~~

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf (J.D.)

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

DEMoulds/jem
9/11/51

J F 9/17

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf-Olund
Mr. Moulds
Docket

FILE COPY
SURNAME:

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

Defense Minerals Administration
Donald E. Moulds
5369 6070
Moulds
Mittendorf (MEH)

[illegible]137 "100.0000 (100)"
Salaries & Expenses, Defense Production Activities, Dept. of Int. 1952
September 12, 1951

a. 6. e. -

H. G. Miller, Executive Officer, Region III, DMA
1012 Flood Bldg., 870 Market Street, San Francisco, California

Refer contract Idm-[illegible] Docket 1131X Sierra Copper. Finance Office copy delivered to Washington Finance Section today for transmittal to Region Office.

C. O. Mittendorf

(MEH) not stripped in R.+R

C. O. Mittendorf, Director
Production Expansion Division

DEMoulds/jem
9/12/51

cc to: Reports & Records
Messrs. Mittendorf, Olund
Mr. Moulds
Docket

2071

28 WA SFS /I-BOM/

SAN FRANCISCO 9-11-51 247P

C O MITTENDORF, DIR PRODUCTION EXPANSION DIV, DEFENSE MINERALS ADMN

INTERIOR BLDG, WA

REFER CONTRACT IDM-E104, DOCKET DMA 1131X SIERRA COPPER CO. FINANCE COPY THIS CONTRACT NOT RECEIVED TO DATE. PLEASE TRACE AS FIELD ENGINEER-S COPY IS IN RENO AND ACCOUNTS NEEDS ITS COPY TO CHECK AGAINST MONTHLY STATEMENTS.

H C MILLER, EXEC OFCR DMA FLD TEAM REGN III

IDM-E104 1131X

JC 249P

SEP 12 8 48 AM '51

BUREAU OF MINES.
MAIL ROOM
WASHINGTON, D. C.

FILE COPY
SURNAME:

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

August 21, 1951

R.E.C.

Johnson & Abney
M & W Tower Building
Dallas, Texas

Subject: Sierra Copper Company
Docket No. DMA-113X

Gentlemen:

We have your letter of July 31, 1951 requesting assistance in securing 70 pounds of chrome-molybdenum alloy to be used in the manufacture of liner plates for ball mills at the Mountain King Mill.

The Defense Minerals Administration does not have authority to allocate the material requested. It will be necessary for the manufacturer, the Electric Steel Company of Angels Camp, California, to apply on Form NPAF-60 to the Alloy Steel Section, Steel Division, National Production Authority, New GAO Building, Washington, D. C. for an allotment of chrome-molybdenum alloy. It will also be necessary to file with the same authority forms No. 113 and 114 conveying certain information required by the Alloy Steel Division. These forms may be obtained from the nearest field office of the National Production Authority.

It is hardly necessary to point out that alloys of this type involving particularly molybdenum are in extremely short supply, and a justifiable case will have to be made by the applicant in order to receive consideration. We might suggest that manganese steel has been used to a large extent for the purpose desired and may prove a satisfactory substitute in this case.

Yours truly,

SIGNED BJ
8/22

E. T. Miller
Requirements Division

ETMiller:fdr

Copy to: Admin. Reading File
Reports & Records Unit
Mr. Speaker

File

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~BUREAU OF MINES~~
~~REGION III~~
DEFENSE MINERALS ADMINISTRATION

OFFICE OF
~~REGIONAL DIRECTOR~~
Executive Officer
DMA Field Team
Region III

1012 Flood Bldg.
870 Market St.
1415 APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO ~~XX~~ CALIF.
2,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 27 1951

August 21, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
DMA, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket No. DMA 1131X, Copper; Sierra Copper Mines
Contract Idm-E104

Reference is to your letter of August 10, regarding subject contract. As per attached copy of our letter to Mr. Roy Mead, we are today sending him Sierra Copper Mines Contract Idm-E104. According to your letter, the Regional Finance Office copy will be forwarded to us directly by the Washington Finance Section.

H. C. Miller
Executive Officer, DMA Field Team
Region III

Attachment

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

1415 U. BLDG.,
630 SANSOME STREET
DEFENSE MINERALS ADMINISTRATION
SAN FRANCISCO 11, CALIF.

1012 Flood Bldg.
870 Market Street

Executive Officer
DMA Field Team
Region III

2

August 21, 1951

Mr. Roy G. Mead
920 Burchett Street
Glendale, California

Re: Docket DMA-1131X, Copper
Sierra Copper Mines
Contract Idm-E104

Dear Mr. Mead:

Your letter of August 16, indicating approval by Mr. Ronnie Smith of the three changes made in the subject contract by the Washington Office, is acknowledged. The following telegram from Mr. Smith, dated Dallas, Texas, August 19, also was received shortly after your letter arrived:

> "Re DMA Exploration Contract Denner Mine dated July 11, 1951 This will confirm my acceptance of modification as set out your letter Mead Hope see you sometime this week Regards"

So as to make this letter complete, the suggested changes were outlined by Mr. C. O. Mittendorf, Director, Production Expansion Division, Defense Minerals Administration, in his letter to me dated August 10 and copied word for word in my letter to you dated August 14. I am glad that Mr. Smith approved the changes.

Mr. Mittendorf's instructions were to advise you of these changes and secure your approval, whereupon your copy of the contract was to be sent to you. Accordingly, attached hereto is your copy of the subject Exploration Project Contract Idm-E104, dated July 11, 1951.

Sincerely yours,

H. C. Miller
Executive Officer, DMA Field Team
Region III

Enclosure (Contract)

Copy to: C.O.Mittendorf, DMA, Washington

FILE COPY
SURNAME:
400

Moulds
Mittendorf

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

AUG 10 1951

a.E.C.

Mr. H. O. Miller
Executive Officer
Region III
Defense Minerals Administration
1415 Appraiser's Building
San Francisco, California

Re: Docket No. DMA 1131X, Copper
Sierra Copper ~~Mines~~

Dear Mr. Miller:

We are transmitting herewith two copies of subject contract which have been signed by the Government with register number and effective date as shown.

Three changes have been made in the contract supplied by the operator as follows:

Paragraph 2. "Operator's Property Rights"
"property more fully described in assignment of lease agreement dated May 1, 1951, attached hereto" has been added to the description.

Exhibit A. "Supervision"
The word "overhead" has been deleted in conformance with allowable costs Section 13, MO-5.

Landlord's Subordination Agreement
The date of the Exploration Contract as shown on the Subordination Agreement has been changed from June 20 to July 11 to agree with the contract.

Kindly advise the operator of these changes and secure his approval before transmitting his copy. If agreeable, advise this office immediately so that the other contracts may be distributed.

A copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section together with accounting instructions.

APPROVED:

Tom Lyon

Chairman, Coordinating Committee

Merrill

Member, Bureau of Mines

Max W. Rome

Member, Geological Survey

Sincerely yours,

C. O. Mittendorf (J. W.) JF 8/10

C. O. Mittendorf, Director
Production Expansion Division

DEMoulds/meh Typed 8/8/51
cc to: Adm. Reading File Repofts & Records
Messrs/ Mittendorf, Olund Mr. Moulds, Gowen
C.H.Johnson, McKnight, Region III, Docket

FILE COPY
SURNAME:
140

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

August 7, 1951

del'd by hand

Q.E.C.

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Sierra Copper Company exploration contract — Docket No. DMA-~~1557~~ 1131X

The contract is approved, subject to the following:

The property description set forth in Article 2 of the contract is inadequate. The following phrase should be inserted to support the existing description: "property more fully described in assignment of lease agreement dated May 1, 1951, attached hereto."

Under Exhibit "A" included among several items totalling $1,530 is "overhead." The word "overhead" must be stricken out.

The date of the contract as set forth in the subordination agreement must be corrected to conform with that of the contract.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment
CJKoontz/bjl

Copy to: C. J. Koontz
J. L. Hofflund } del'd by hand
Chm.
Reports & Records Br.

JOHNSON & ABNEY
ATTORNEYS AND COUNSELORS AT LAW
M & W TOWER BUILDING
DALLAS, TEXAS

J. EDWARD JOHNSON
FRED S. ABNEY

July 28, 1951

Mr. Donald E. Moulds
Production Expansion Division
Defense Minerals Administration
Interior Building
Washington 25, D. C.

Subject: Docket DMA-1131X
Donner Mine - Sierra Copper Company

Dear Mr. Moulds:

Pursuant to the instructions contained in Mr. H. C. Miller's letter of July 24, 1951, addressed to Mr. Roy G. Mead of Glendale, California, you will find enclosed herewith six complete copies of the Exploration Project Contract in connection with the subject matter hereof, executed by Mr. Ronnie B. Smith, President of Sierra Copper Company.

It is requested that you detach the Subordination Agreement from the previous contracts and attach same to this contract. In addition, it is requested that you detach from the previous contracts the Assignment by Mr. Ronnie B. Smith to Sierra Copper Company covering the Donner Mine, together with any other pertinent information that you deem advisable and attach same to this contract.

Your early attention to this matter will be very greatly appreciated.

Yours very truly,

Fred S. Abney
FRED S. ABNEY

FSA:emh
Encs.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1951
LANDON F. STIGBEL
Executive Secretary

FILE COPY
SURNAME:

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

Billings
O'LEARY
(for Mote)

July 19, 1951

DMA-1131X
Sierra Copper Company
Calaveras County, California

Mr. Fred S. Abney
Johnson & Abney
M & W Tower Building
Dallas, Texas

Dear Mr. Abney:

Your letter of July 17 to Mr. Edwin T. McKnight, United States Geological Survey, has been referred to me.

The subordination Agreement sent the Sierra Copper Company some time ago has not been received to date. It will be necessary to have this agreement before we can complete the processing of your application. Your prompt attention to this matter will be appreciated.

If we can be of any further assistance to you, please feel free to call upon us.

Very truly yours,

T. P. Billings, Chief
Lead-Zinc Branch

TPBILLINGS:ks

cc: Reports & Records
Mote
McKnight
Billings
Files

577
1131
6/28/50

JOHNSON & ABNEY
ATTORNEYS AND COUNSELORS AT LAW
M & W TOWER BUILDING
DALLAS, TEXAS

J. EDWARD JOHNSON
FRED S. ABNEY

July 17, 1951

Mr. Edwin T. McKnight
United States Geological Survey
General Services Building
Washington, D. C.

Dear Mr. McKnight:

Mr. Ronnie B. Smith has requested that I inquire of you as to the status of the exploration contract recently executed by the Sierra Copper Company in connection with the Donner property in Calaveras County, California.

Would you please advise me as to whether this contract is now ready for performance by the Government?

Yours very truly,

Fred S. Abney
FRED S. ABNEY

FSA:emh

Office of
Executive Officer
DMA Field Team
Region III

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Air Mail

July 11, 1951

Memorandum

To: C. L. Mittendorf, Director, Production Expansion Division, Defense Minerals Administration, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1131X - Sierra Copper Company
Roy G. Mead, Consulting Engineer, Glendale, California.

Reference is made to your air mail letter concerning subject docket dated June 11.

Attached are six copies of subject contract with Landlord's Subordination Agreement, MF-202, maps and other exhibits relating to applicant's Exploration Project Contract which Mr. Ronnie B. Smith, President of the company, has signed. Attached also are six copies of a letter dated July 10 from Mr. Roy G. Mead to H. C. Miller, indicating the type and amount of work done in the shaft between May 15 and the date of the letter.

Applicant has dated the contract May 15, 1951, as it is as of that date that Exhibit A applies. He argues, also, that the work agreed to be done under the contract was agreed upon and approved by the examining geologist, Mr. Arvid A. Stromquist, Geological Survey, as of May 15.

The shaft is now enlarged down to 96 feet and timbered to 85 feet. A station is being cut in the shaft beginning today.

I question whether the contract can be dated May 15, but applicant insists it should be so as to cover the work done since the geologist's examination and recommendation, and to cover the program as outlined in Exhibit A.

The applicant also intends to submit to this office monthly statements of expenses beginning with May 15. For him to be permitted to do that will depend, of course, on the contract date being May 15.

H. C. Miller
Executive Officer, DMA Field Team
Region III

Attachments
Copy by regular mail

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 12 1951
LANDON F. STROBEL
Executive Secretary

ROY G. MEAD
CONSULTING ENGINEER
920 BURCHETT STREET
GLENDALE, CALIFORNIA
CHAPMAN 5-2290

July 10, 1951

Mr. H. C. Miller
Regional Director Defense Minerals Administration
1415 U. S. Appraisers Building
San Francisco 11, California

Re: DMA-1131 Sierra Copper Company

Dear Sir:

This is to advise you regarding the date when the Donner shaft DMA No. 1131 project had been enlarged and retimbered to a depth of 30 feet. The date the shaft had reached the depth of 30 feet as specified in Exhibit "A" Item 1, is to be the date of the contract between the Defense Minerals Administration and the Sierra Copper Company.

According to the record shown on the daily reports submitted to me by the mine foreman, the Donner shaft had reached a depth of 33 feet and was timbered to a depth of 30 feet on May 15.

I inspected the Donner shaft on May 11 at which time the shaft had reached a depth of 28 feet and was timbered to a depth of 20 feet.

Between the dates of May 11 and 15, two sets of timber (10 ft.) had been installed and the shaft deepened five feet.

Very truly yours,

Roy G. Mead

Roy G. Mead

RGM:bm

FILE COPY
SURNAME:

DGM

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

AIR MAIL

JUN 1 1 1951

mailed

Mr. H. D. Miller
Executive Officer
Field Team, Region III
1415 Appraisers Building
San Francisco, California

Re: Docket No. DMA-1131X
Sierra Mining Company
Roy G. Mead, Consulting Engineer
Glendale, California

Dear Mr. Miller:

The subject company has presented an application for exploration project assistance, the project to consist of rehabilitation and sinking of the Donner shaft and 200 feet of drifting from the 100-foot station.

The contract herewith has been filled in, as have the exhibits, in sextuplet. Six copies of a sketch map showing the proposed work in the shaft in plan and section and six copies of Landlord's Subordination Agreement (MF-202) from Mr. Herman L. Donner and assignment of Donner lease by Mr. Ronnie B. Smith to the Sierra Mining Company will be required to complete the contract requirements.

Upon securing the maps, subordination, and signing the contracts, all copies should be returned to this office for final action.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

APPROVED:

Tom Lyon

Chairman, Coordinating Committee

Lowell B. Moon

Member, Bureau of Mines

Olaf N. Rove

Member, Geological Survey

Enclosures

DEMounds/fw/bih
cc to: Messrs. Adm'rs. Reading File
Field Team, Reg. III
Moon
Strobel
Mittendorf-Olund
Lyon
McKnight
Moulds
F I L E S

FILE COPY
SURNAME:

Lyons (ETM)
McKnight
Kerrea
Wate

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

May 28, 1951

Memorandum

Re: Docket DMA-1131
Copper (Zinc?)

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: Recommendation for approval of exploration loan submitted by Sierra Copper Company
21st Floor, Tower Petroleum Bldg.
Dallas, Texas

The attached original application submitted by the Sierra Copper Company for an exploration loan applies to two properties fairly close together, the McCarty mine and the Donner mine. In a conference with E. T. McKnight, Geological Survey, Ronnie B. Smith, president of the company, stated that all the efforts of the company are currently being directed toward the Donner project at a cost of several hundred dollars per day which will rapidly exhaust the company's matching funds unless Government participation, approved by the field team, is forthcoming in a short time. That part of the application referring to the McCarty property is being revised in the field according to suggestions made by the field team and will be mailed in before long, but in the meantime the company has submitted the amended application to include only the Donner property. Form MP-100 was not revised and therefore applies to both the McCarthy and Donner properties. The attached reports by Roy G. Mead, company geologist, and Arvid A. Stromquist of the Defense Minerals Administration's field team also apply to both properties.

A. Sierra Copper Company
21st Floor, Tower Building
Dallas, Texas

B. Donner Mine
SW 1/4, Sec. 33, T 2 N, R 11 E, M.D.B. and M.
Calaveras County, California

C. (1) The proposed project has a reasonable chance of increasing the copper resources of the nation by a modest amount.

(2) No technical difficulties are anticipated.

C. (3) The company will be able to acquire the necessary equipment for this project.

(4) The applicant is prepared to invest the necessary money to pay for one-half of the total cost of the project.

(5) The project will be under the supervision of competent and experienced personnel.

D. It is recommended that a loan of $14,029 be granted to the Sierra Copper Company as the Government's one-half share of the exploration project proposed for the Donner mine, Calaveras County, California. Following is an itemized statement of the estimated costs:

(a) Labor, materials, supplies, power, etc.

Enlarging and deepening shaft to 100 ft. level, including timbering	$6,076	
200 ft. of drifting at $20 per ft.	4,000	
Underground stations and chutes	892	
		$10,968

(b) Supervision	990

(c) No repairs

(d) Additional facilities, buildings, etc.

Blacksmith shop	1,500	
Change room	500	
Road repair	2,500	
		4,500

(e) Purchase of equipment

Hoist and compressor	7,600	
Rails, cars, small tools	1,500	
Truck	2,500	
		11,600

(f) No rental of equipment

$ 28,058

E. The original shaft on the Donner property was a 3 ft. x 4 ft. inclined shaft, approximately 60 ft. deep, untimbered and without ladders. As of May 15 the shaft had been enlarged to a depth of 38 ft. and timbered to a depth of 30 ft. The company proposes to

E. enlarge and timber the shaft to its original depth of 60 ft. and then deepen the shaft to the 100 ft. level. Thereafter two drifts, each 100 ft. long, will be driven in two directions from the shaft along the vein. The company requests financial aid from the Government in the form of an exploration loan in the amount of one-half of the total cost of the project, or $14,029.

F. It is believed that this project will prove up a minimum of 7,000 tons of milling ore which will average 5% cu.

G. (1) The property has been examined by the field team of the Defense Minerals Administration who report that the property merits exploration. Assays taken from the shaft show favorable results. One sample taken at a depth of 40 feet in the shaft over a width of 3 feet, assayed 9.97% Cu; another from the bottom of the shaft contained about 8.5% Cu over a width of 5 feet; and a third from the dump assayed 6.22% Cu. All samples contained gold and silver values also.

The prospect is on a shear zone at or near the contact of a quartz porphyry and greenstone and is in line with the northwest extension of the Quail Hill-Collier group of mines which were major producers and whose deposits were formed in similar host rocks and apparently under similar structural conditions.

(2) Not applicable.

(3) Standard mining methods will be used to deepen the shaft and drive the drifts.

(4) Not applicable.

(5) Not applicable.

(6) It is estimated that the project will be completed within 66 days after approval of the contract.

H. (1) The shaft has been enlarged and retimbered preparatory to deepening it. A change room is on the property, but additions to it will be required.

(2) The applicant will be able to acquire by purchase sufficient equipment for this project.

(3) The present access road will require some repair work.

(4) The company now has in its employ enough men for the project.

H. (5) Power will be supplied by gasoline or diesel engines.

I. (1) There is no alternative method of financing the project.

(2) The amount requested appears adequate for the project proposed.

(3) Not applicable.

(4) Repayment will be made in accordance with Section 14 of Form MO-5.

(5) Not applicable.

J. The project will be supervised by the following men, all of whom appear competent and experienced:

Roy G. Mead, Vice President and General Manager; licensed petroleum engineer and geologist with mining experience in the State of California.

C. B. Wood, Assistant General Manager; has had practical experience in mining in the district in which the mine is located.

Howard Castle, Mine Foreman; twenty years experience in mining in the district.

K. On Tuesday, May 8, Ronnie B. Smith, President of the Sierra Copper Company, in conference with E. T. McKnight, Geological Survey, stated that he wished to amend the application submitted by his company for an exploration loan to apply only to the Donner property.

On Tuesday, May 15, Ronnie B. Smith was informed in a telephone conversation with E. T. McKnight and E. J. Lyons, Geological Survey, that his application had been referred to H. C. Miller, Executive Officer of the Field Team, for further review. After a telephone conversation between H. C. Miller and Roy G. Mead, engineer of the Sierra Copper Company, the attached amended application was submitted on Form MF-103.

Information regarding availability of equipment was obtained by E. J. Lyons, Geological Survey, from Ronnie B. Smith by telephone conversations on May 9 and 10.

~~EXXXXXXXXXX~~ G. 5/28/51
E. J. Lyons; emp
Copies to: H.C. Miller
~~J. H. East, Jr. Region~~ III 2
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote

L. F. Strobel
Tom Lyon

Tom Lyon, Director
Supply Division

Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

FILE COPY
SURNAME:

Ext. [redacted]68 E.T.McKnight

Defense Minerals Administration
LL-1110037 Expenses of Defense Production
Executive Office of the President
(Alloted to Interior) 1951 10.1

McKnight

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

Mr. Harold C. Miller
Bureau of Mines
1415 U. S. Appraiser's Building
San Francisco 11, California

STRAIGHT WIRE

Washington, D. C. May 22, 1951

Do itemized costs accompanying Mead's letter May 16, RE: DMA-1131 meet approval of field team? Are all items justified for exploration proposal?

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

ETMcKnight:emp
G 5/22/51
Copies to: Chief, Lead-Zinc Br.
E. T.McKnight 4204 GSA
H. C. Miller, Region III CONFIRMATION COPY
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

Herres

Air Mail

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

OFFICE OF
REGIONAL DIRECTOR

1415 APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO 11, CALIF.

Air Mail May 22, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch, DMA, Washington, D.C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA 1131 - Donner Property (Sierra Copper Co)

Reference is made to your telegram dated May 22nd concerning subject docket and field team recommendation as to justification of items listed in Mead's letter of May 16th.

In consultation with Mr. Stromquist of the Geological Survey who examined the property, we have concluded that the cost estimate for enlarging and sinking the Donner shaft $6,076.00, cutting station at 100 foot level $392.00, and overhead and engineering, etc. $990.00 seems fair and reasonable.

There is some question in my mind whether the requested road funds should be allowed. Mr. Stromquist reports, however, that the roads to the property are none too good and do need some repairs.

Lead-Zinc Branch does not agree with this. If he drills only 25 ft, certainly requirement to Govt. cannot be made from a very small block, probably too small to apply Govt's contribution.

We also question whether under the exploration program the applicant should be permitted to drift in ore for a distance of 100 feet each way from his shaft. Although that much drifting is desirable, it seems to us that 50 feet each way should be plenty to determine a reasonable expectancy of the possible extent of the ore body. In fact, a distance of 25 feet each way, or a total of 50 feet of drifting, ought to be enough to claim a "discovery".

It is my personal opinion that most of the cost estimates have been "blown up" a bit and that the work outlined by the applicant could be done, if properly controlled, for not over $25,000.00.

H. C. Miller
Executive Officer, DMA Field Team,
Region III

Copy to: Mr. A. A. Stromquist

Defense Minerals Administration
RECEIVED
MAY 24 1951
LANDON F. STROBEL
Executive Secretary

JOHNSON, BOHANNON, PRESCOTT & ABNEY
ATTORNEYS AND COUNSELORS AT LAW
M & W TOWER BUILDING
DALLAS, TEXAS

J. EDWARD JOHNSON
ROSS BOHANNON
ROSS K. PRESCOTT
FRED S. ABNEY

May 17, 1951

Mr. Edwin T. McKnight
United States Geological Survey
General Services Building
Washington, D. C.

Dear Mr. McKnight:

Pursuant to your verbal advice to Mr. Ronnie B. Smith on the occasion of the telephone conversation between yourself and Mr. Lyons and Mr. Smith, there is submitted herewith an amended application for aid for an exploration project pursuant to Mineral Order 5.

You will note that this amended application pertains solely to the Donner property, whereas on the original application both the McCarty property and the Donner property were included in the same project.

It is requested that this amended application with respect to the Donner property be considered in connection with and amendatory to the original application of Sierra Copper Company dated May 1, 1951, having been assigned docket No. 1131.

This amended application has been prepared pursuant to the advice contained in Mr. Roy G. Mead's letter of May 16, 1951 addressed to Mr. Ronnie Smith in Dallas, with carbon copies to Mr. H. C. Miller and Mr. A. A. Stromquist. Such letter was written by Mr. Mead after conferring by telephone with Mr. Miller and clearing with him the items of expenditure proposed. The foregoing action was taken pursuant to the request of Mr. Lyons and yourself.

You will find enclosed herewith the original and three carbon copies of Mr. Mead's letter, which you may attach to the enclosed amended application if you see fit.

Very truly yours

Fred S. Abney

FRED S. ABNEY

FSA:VM
Encls.

ROY G. MEAD
CONSULTING ENGINEER
920 BURCHETT STREET
GLENDALE, CALIFORNIA
CHAPMAN 5-2290

May 16, 1951

Mr. Ronnie Smith
Tower Petroleum Bldg.
Dallas, Texas

Re: Donner Property
DMA Docket #1131

Dear Sir:

Due to the fact that there appears to be a misunderstanding regarding the cost of enlarging, sinking and timbering the shaft on the Donner property, the following detail of a revised estimate is submitted, after having a telephone conversation regarding same today with Mr. H. C. Miller, Regional Director of the U.S. Bureau of Mines.

The shaft on the Donner property was originally a three by four foot inclined shaft approximately sixty feet deep, untimbered and without ladders. This shaft is now being enlarged to 6 x 8½ feet in the clear and timbered with 8" x 6" timbers. The inside measurements of the skip compartment is 4½' x 4½' and the manway 4½' x 3'. The shaft as of May 15 has been enlarged to a depth of 38 feet and timbered to a depth of 30 feet. The shaft is to be carried to a depth of 100 feet or 62 feet below its present bottom. This work will require 62 days at a cost of $98.00 per day which includes labor, timbers, power, powder and liability insurance. In addition the overhead including management, bookkeeping, assaying and engineering will amount to $15.00 per day.

All of the machinery and equipment itemized on page 12 of the application to the Defense Minerals Administration for an exploration loan except the change room will be required. A change room has now been placed on the property, but there will be additional expenditures thereon amounting to $500.00.

Very truly yours,

Roy G. Mead

Roy G. Mead

RGM:bm
cc: H. C. Miller
A. A. Stromquist

DETAIL OF REVISED ESTIMATE

Enlarging and sinking Donner shaft 62 days at $98.00 per day	$6,076.00
Cutting station at 100 foot level 4 days at $98.00 per day	392.00
Overhead, engineering, etc. 66 days	990.00
Blacksmith shop	1,500.00
Change Room	500.00
Hoist and compressor gasoline motor driven (machinery and installation)	7,600.00
Rails, car and small tools	1,500.00
Truck	2,500.00
Drifting 100 feet each way from the shaft at $20.00 per foot	4,000.00
Road work	2,500.00
Underground chutes and pocket at station	500.00
Total	$28,058.00

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

May 16, 1951

Mr. T. F. Harrington
Sierra Mining Company
911½ North Second
Albuquerque, New Mexico

Dear Mr. Harrington:

This will acknowledge your letter dated May 9, 1951 relative to an exploration loan on your manganese properties in Sierra County, New Mexico.

We are enclosing five copies of exploration application MF-103, together with the explanation sheet MO-5. Form MF-103 should be filed in quadruplicate with this office. Please be sure to furnish answers to the technical questions indicated on the application.

Very truly yours,

P. R. Bradley, Jr.

P. R. Bradley, Jr.
Chief, Manganese Branch

Enclosure

TJHallard:ec

CC: Adm. Reading File
Mr. Strobel
Mr. Bradley
Files

FILE COPY
SURNAME:

McKnight
Nat Fabres

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

May 11, 1951

RE: DMA 1131X

Mr. Arvid A. Stromquist
102 Old Mint Building
5th and Mission Streets
San Francisco 3, California

Dear Arvid:

After sending you the airmail letter of inquiry about whether you approved the proposed operation on the Donner property of the Sierra Copper Company it occurred to me that it would be wise to send you one copy of the revised docket.

Mr. Smith gave the impression that copies of this proposal were in Head's hands and that you had seen a copy but I cant be too sure of this.

It seems to me that the proposal for the Donner is top heavy with expenses, considering that only 40 feet of sinking and 100 feet of drifting is proposed. I think the field team, including the Bureau representative, should at least have the opportunity of commenting on this Donner application before it receives final approval of our committee.

Very truly yours,

Edwin T. McKnight

ETMcKnight:emp
G 5/11/51

Copies to: H. C. Miller, Region III (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Director's reading file 4214 GSA
Br. reading file 4214 GSA
Files

Edwin T. McKnight
Geologist

FILE COPY
SURNAME:

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

Herres

May 10, 1951

1131X

Mr. Fred S. Abney
Johnson, Bohannon, Prescott & Abney
R & W Tower Building
Dallas, Texas

Dear Mr. Agney:

I have your letter of May 3 concerning the application of Sierra Copper Company for aid under the minerals exploration program of DMA.

Mr. Monnie E. Smith has been in Washington for the past few days. During this time I believe he has cleared up some of the questions in relation to your application that were mentioned in my letter of May 1.

With reference to your plan for the submission of an application for a development loan if the exploration project proves successful, it is suggested that you defer making this application pending the outcome of the exploration project.

Applications for development loans should be submitted on Form MF-100 in accordance with the instructions shown on the form. I am pleased to enclose six copies of this form for your purpose. In submitting Form MF-100 it should be accompanied with a description of the project covered by the application and such other supporting information as you believe pertinent.

Loans for development purposes may possibly be available in two forms: first, a procurement contract; and second, an R.F.C. loan which may be available on recommendation from DMA for approved applications.

The procurement contract provides for a floor price for the zinc produced from a property such as yours for a period of time and at a price to be arrived at by negotiation.

In case I can be of further assistance in this connection, kindly let me know.

Yours very truly,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

OHERRES:ks

cc; Mr. Strobel
Mr. Mote
Mr. McKnight

Enclosure
Mr. Herres
Files

May 10, 1951

Airmail

Mr. Arvid A. Ziroquist
100 Old Mint Building
5th and Mission Streets
San Francisco 3, California

Dear Arvid:

The Sierra Copper Company has amended the recently prepared document on its application for a loan to explore the Security and Lesser mines in Calaveras County, California, to include only the Lesser property. The company is planning to revise that part of the document concerning the Security property in line with what you worked out with their geologist (or engineer) need, but they are willing to get the Lesser part of the application approved immediately because this work is already in progress.

The project proposed for the Lesser property is to deepen the shaft to 100 feet and then drift south on the vein 100 feet. No more drilling is proposed.

In your report on the Lesser property you stated that the trend of the contact between the felsite and greenstone should be determined before any exploration request was approved. Mr. Dennis E. Smith, President of the company, who is at present in Washington, did not know whether this mapping had been done or not, but said that Reed had informed him in a telephone conversation that you had approved the project.

We have, therefore, recommended approval of the loan to explore the Lesser property. If you do not agree with this action please let us know immediately and we will stop the processing of the recommendation.

Very truly yours,

Edwin T. McKnight

EJLyons:cmp
G 5/10/51
Copies to: R. C. Miller, Region III (2)
Edwin T. McKnight
Geologist
Chief, Lead-Zinc Br.
E. T. McKnight
L. E. Moon
W. H. Mote
L. F. Strobel
Directors reading file
Br. reading file
Files

BUREAU OF MINES
WASHINGTON, D. C.

MAY 11 3 08 PM '51

FILE COPY
SURNAME:

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

May 10, 1951

Sierra Copper Company
21st Floor Tower
Petroleum Building
Dallas, Texas

Subject: DMA-1131 X
Re: Exploration Loan -
McCarty and Donner
Mines (California)

Gentlemen:

Receipt is acknowledged of your application and attachments of May 1, 1951 for a Government loan under the Defense Production Act of 1950.

The application was assigned Docket Number 1131 X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch, on May 9, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1131 X.

Sincerely yours,

LANDON F. STROBEL a.e.c.

Landon F. Strobel
Executive Secretary

LFSTROBEL:aec
cc: Files
Strobel-2
Mr. Herres
Mr. Lyon

~~LANDON F. STROBEL~~

1. Mr. Lyon
2. Mr. Herres

JOHNSON, BOHANNON, PRESCOTT & ABNEY
ATTORNEYS AND COUNSELORS AT LAW
M & W TOWER BUILDING
DALLAS, TEXAS

J. EDWARD JOHNSON
ROSS BOHANNON
ROSS K. PRESCOTT
FRED S. ABNEY

May 3, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 7 - 1951
LANDON F. STROBEL
Executive Secretary

Mr. Tom Lyon
Supply Division
Defense Minerals Administration
3612 Interior Building
Washington, D. C.

Dear Mr. Lyon:

Within the next few days Mr. Ronnie B. Smith expects to be in Washington for the purpose of filing with the Defense Minerals Administration the application of Sierra Copper Company for aid for an exploration project, pursuant to Mineral Order 5 under the Defense Production Act of 1950.

We have in hand the letter of your Mr. Otto Herres, Chief of the Lead-Zinc Branch, dated May 1st, 1951, which specifies that the application should state specific objectives, procedures to be used, and estimated costs. We are attempting to check with your California field man at the present time to see that our application conforms with such requirements. If necessary, Mr. Smith intends to modify the application before submitting the same to you.

In any event, we want to begin planning now for the submission of our application for a development loan if the exploration project proves that a development of the properties concerned is desirable. With this thought in mind, it is my present request that I be advised as to any new procedures that have been set up in connection with development loans.

If my understanding is correct, an application for a development loan should be submitted on NSRB Form 146, being an application for government loan under Section 302 of the Defense Production Act. Would you please advise me of any changed procedure that may be involved in this regard. Also, I would appreciate your advice as to specific details of the application to which special attention should be given.

Your very fine cooperation in this regard is greatly appreciated.

Very truly yours

Fred S. Abney

FRED S. ABNEY

FSA:VM

7A

ED. EISENHAUER, JR.
320-322 So. San Pedro St.
Los Angeles 13, Calif.

ASSAY CERTIFICATE

PHONE VANDIKE 9328

Los Angeles, Calif. Feb 26/51 19

I hereby Certify that the samples described below, received from

~~Ronnie Smith(c/o Roy Moy G.Mead)~~ assay as follows:

Owner's Mark and Sample	GOLD		SILVER		TOTAL VALUE PER TON	PERCENTAGE OF		
	OZS. PER TON	VALUE PER TON	OZS. PER TON	VALUE PER TON		COPPER	LEAD	ZINC
Donner # 1	(2 ft. of Chalcopyrite and iron pyrite on hanging wall)				of vein)	17.6		
do # 2	(3 ft. of mineralized vein underlying 2 ft chalcopyrite) (Sample No. 1)					2.5		

GOLD @$_____ PER OZ.

SILVER @ $_____ PER OZ.

LEAD @ _____ C.

COPPER @ _____ C.

CHARGES 2.50

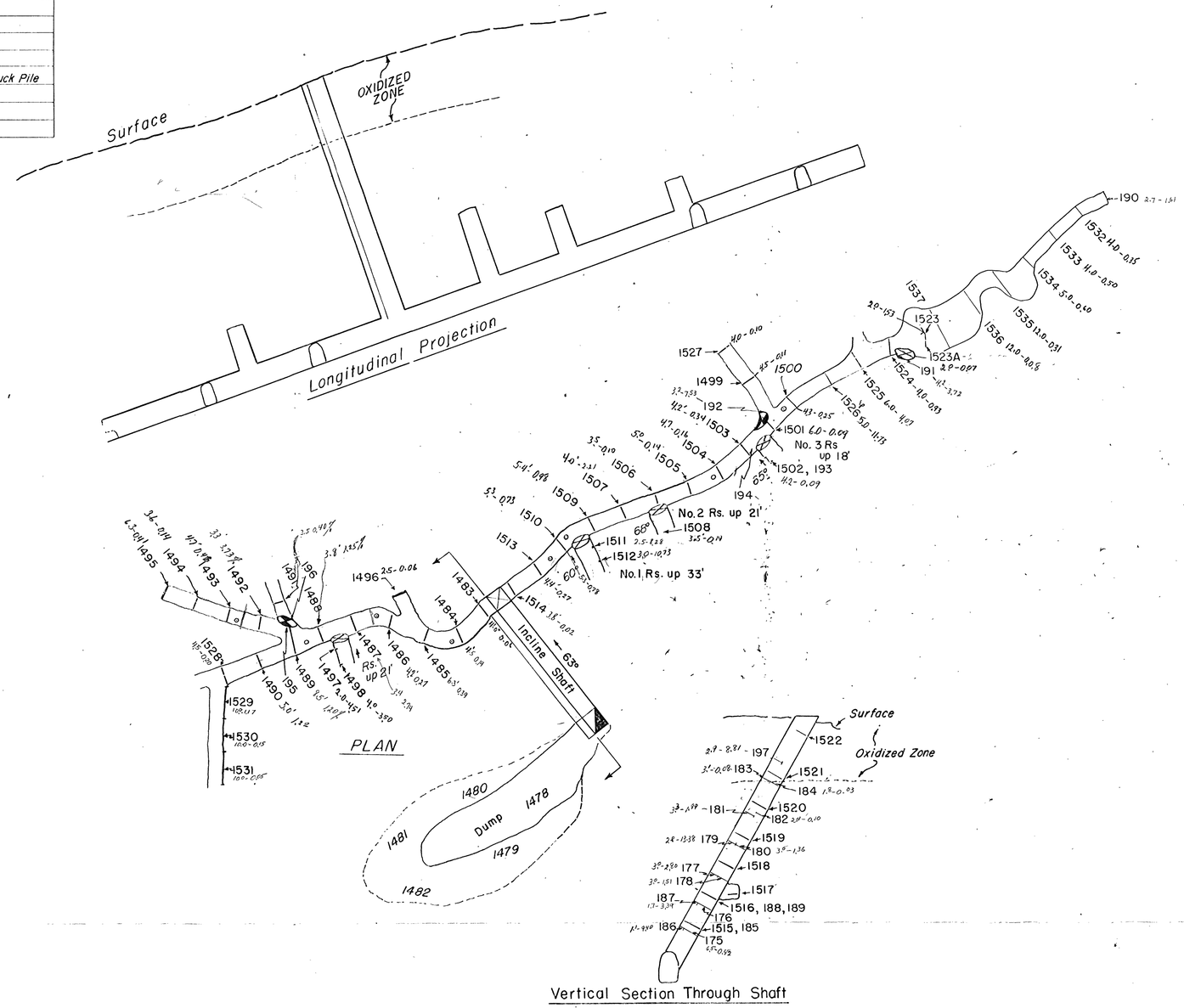
E. Eisenhauer Jr.
ASSAYER

ASSAYS

Sample Number	Ft. Width	% Cu.	% Pb	% Zn	Au. Oz./T	Ag. Oz./T	Remarks
1478		2.15	*0.1	0.2	0.005	0.40	Dump
1479		3.23	*0.1	0.3	0.005	0.60	Dump
1480		2.83	*0.1	0.2	0.005	0.60	Dump
1481		0.60	*0.1	0.2	Tr.	0.20	Dump
1482		1.71	*0.1	0.2	Tr.	0.30	Dump
1483	4.0	0.06	*0.1	0.1	Tr.	Tr	
1484	4.5	0.14	*0.1	0.2	Tr.	Tr	
1485	6.3	0.39	*0.1	0.2	Tr	0.20	
1486	4.2	0.27	*0.1	0.2	Tr	Tr	
1487	3.4	2.74	*0.1	0.2	0.01	1.10	
1488	3.8	1.25	*0.1	0.2	Tr.	Tr.	
1489	8.5	1.20	*0.1	0.2	0.005	0.40	
1490	5.0	1.22	*0.1	0.4	0.005	0.40	
1491	3.5	0.40	*0.1	0.3	Tr.	Tr.	
1492	3.3	3.73	*0.1	0.4	0.01	0.50	
1493	4.7	0.46	*0.1	0.3	Tr.	Tr.	
1494	3.6	0.14	*0.1	0.4	Tr.	Tr.	
1495	6.3	0.41	*0.1	0.5	Tr.	Tr.	
1496	2.5	0.06	*0.1	0.5	Tr.	Tr	
1497	2.0	4.51	*0.1	0.4	0.01	0.65	
1498	4.0	3.50	*0.1	0.4	0.01	0.45	
1499	4.5	0.11	*0.1	0.6	Tr.	Tr.	
1500	4.3	0.25	*0.1	0.5	Tr.	Tr.	
1501	6.0	0.09	*0.1	0.4	Tr	Tr.	
1502	4.2	0.09	*0.1	0.3	Tr.	Tr.	
1503	4.2	0.34	*0.1	0.3	Tr.	0.20	
1504	4.7	0.16	*0.1	0.2	Tr.	Tr	
1505	5.0	0.14	*0.1	0.2	Tr.	Tr	
1506	3.5	0.10	*0.1	0.2	Tr.	Tr.	
1507	4.0	2.21	*0.1	0.2	0.005	0.50	
1508	3.5	0.14	*0.1	0.2	Tr.	Tr.	
1509	5.4	0.98	*0.1	0.2	0.005	0.25	
1510	5.3	0.78	*0.1	0.2	Tr.	0.20	
1511	2.5	8.28	*0.1	1.1	0.015	1.50	
1512	3.0	10.73	*0.1	2.6	0.02	2.20	
1513	4.4	0.27	*0.1	0.3	Tr.	Tr.	
1514	3.8	*0.02	*0.1	0.3	Tr	Tr.	
1515	4.9	0.10	*0.1	0.2	Tr	Tr.	
1516	6.5	3.60	*0.1	0.3	0.005	0.50	
1517	3.0	0.12	*0.1	0.3	Tr.	Tr.	
1518	4.2	1.45	*0.1	0.3	0.005	0.25	
1519	4.8	1.11	*0.1	0.2	0.005	0.30	
1520	3.8	0.35	*0.1	0.3	Tr	Tr	
1521	4.0	0.30	*0.1	0.1	0.005	Tr	
1522	2.0	0.03	*0.1	0.2	Tr.	Tr.	
1523	2.0	1.53	*0.1	0.5	0.005	0.30	
1523A	2.0	0.07	*0.1	0.4	Tr.	Tr.	
1524	4.0	0.93	*0.1	0.4	Tr	0.20	
1525	6.0	4.07	*0.1	0.8	0.005	0.40	
1526	5.0	11.73	*0.1	1.7	0.01	1.30	
1527	4.0	0.10	*0.1	0.4	Tr.	Tr.	
1528	4.5	0.20	*0.1	0.4	Tr	Tr.	
1529	10.0	1.17	*0.1	0.7	Tr.	Tr.	
1530	10.0	0.15	*0.1	0.2	Tr.	Tr.	
1531	10.0	0.05	*0.1	0.3	Tr.	Tr.	
1532	4.0	0.35	*0.1	0.1	0.01	Tr.	
1533	4.0	0.50	*0.1	0.3	0.01	Tr.	
1534	5.0	0.60	*0.1	0.3	0.005	Tr.	
1535	12.0	0.31	*0.1	0.1	Tr.	Tr.	
1536	12.0	0.08	*0.1	0.2	Tr	Tr.	
1537	8.0	0.31	*0.1	0.1	Tr.	Tr.	
175	6.5	0.42	0.1	0.2	Tr.	Tr.	
176	7.0	3.70	0.1	0.2	0.015	0.50	
177	3.0	2.80	0.1	0.4	0.015	0.80	
178	3.0	1.51	0.1	0.2	Tr.	0.20	
179	2.0	1.338	0.1	0.2	0.03	1.95	
180	3.0	1.36	0.1	0.3	Tr.	Tr.	
181	3.3	1.99	0.1	0.2	0.005	0.20	
182	2.4	0.10	0.1	0.2	Tr	Tr.	
183	3.1	0.08	0.1	0.2	0.01	0.40	
184	1.8	0.03	0.1	0.2	Tr.	Tr.	
185	4.8	0.07	0.1	0.2	Tr.	Tr.	
186	1.1	9.40	0.1	0.2	0.02	1.40	

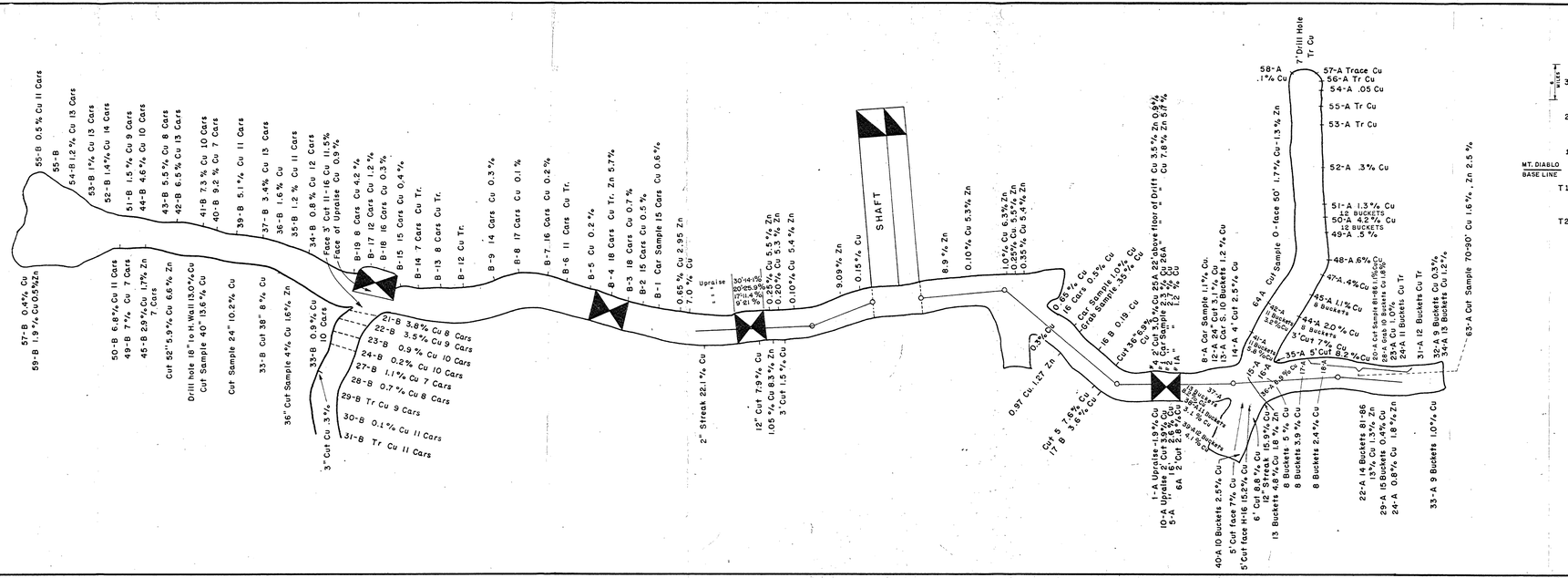
Sample No.	Ft. Width	%Cu	%Pb	%Zn	Au Oz/T	Ag Oz/T.	Remarks
187	1.7	3.39	0.1	0.2	0.01	0.50	
188	3.2	3.78	0.1	0.2	0.01	0.55	
189	3.6	1.97	0.1	0.2	0.005	0.20	
190	2.7	1.61	0.1	0.2	0.005	0.10	
191	4.2	3.72	0.1	0.4	0.01	0.70	
192	3.2	7.53	0.1	1.0	0.015	1.25	
193	3.0	0.09	0.1	0.2	Tr.	Tr.	
194		0.12	0.1	0.2	Tr.	Tr.	Muck Pile
195	3.5	8.77	0.1	0.2	Tr.	Tr.	
196	0.5	19.90	0.1	0.2	0.02	2.10	
197	2.9	8.81	0.1	0.2	0.015	1.60	

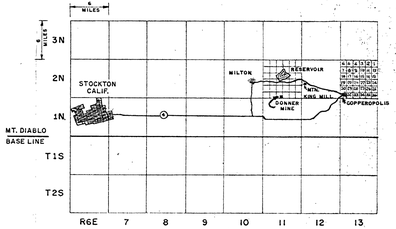
Note: Less than *0.01



March 5, 1952

SIERRA COPPER CO., Calaveras County, California





VICINITY MAP

MAP SHOWING ASSAYS
DONNER PROSPECT AND DEVELOPMENT
AND
GENERAL LOCATION

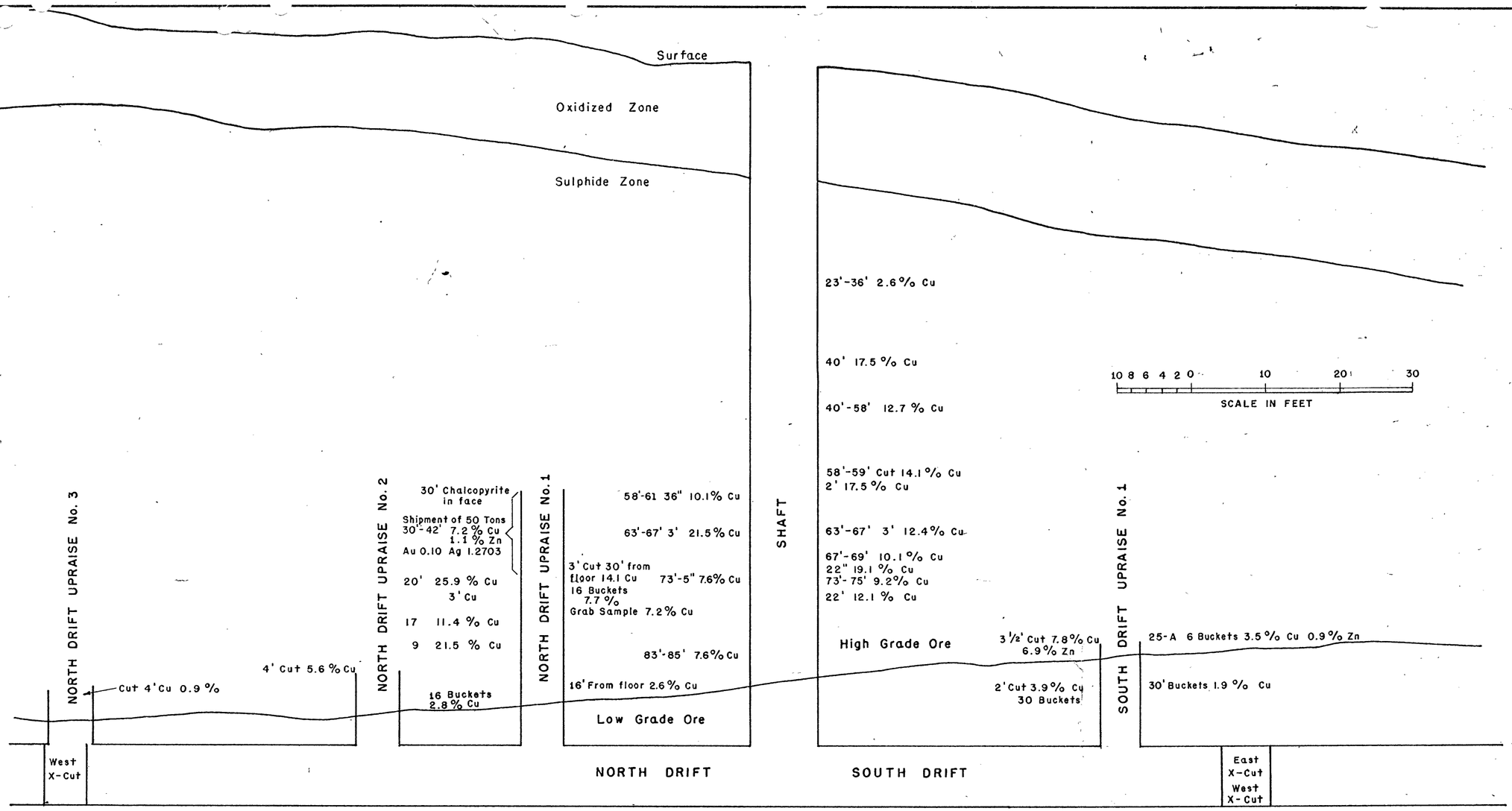
S.E. 1/4, SEC. 33, T. 2 N., R. 11 E., M.D.M. CALIFORNIA

DRAWN	Stan Preuss
TRACED	Stan Preuss
APP'D.	
DATE	3-10-52

THE RALPH M. PARSONS COMPANY
LOS ANGELES

871 - AE1

REV. 2



DRAWN	Stan Pruss
TRACED	Stan Pruss
APP'D.	
DATE	

NORTH - SOUTH SECTION
DONNER MINE

S.E. 1/4, SEC. 33, T. 2 N., R. 11 E., M.D.M. CALIFORNIA

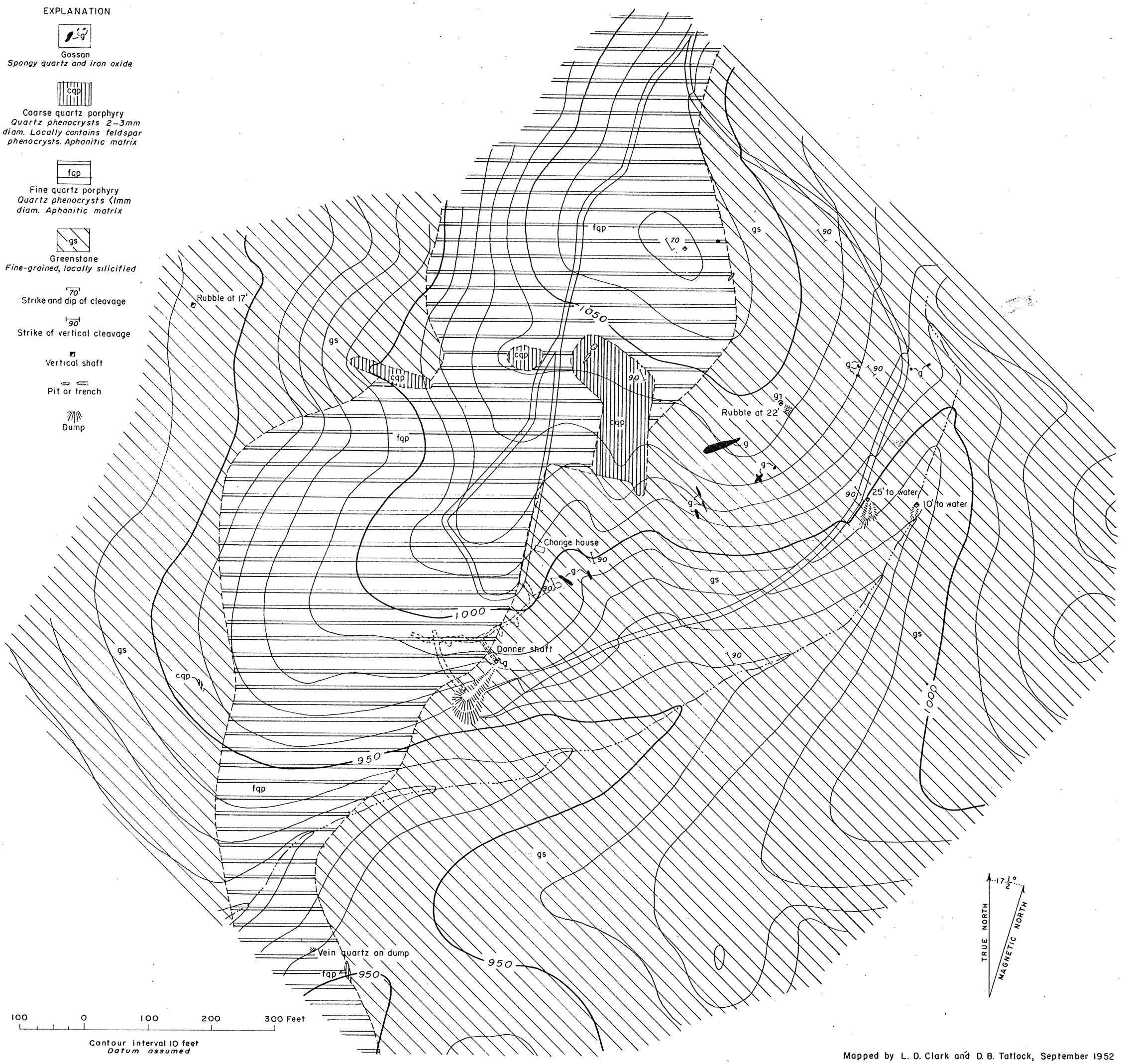
THE RALPH M. PARSONS COMPANY
LOS ANGEL

871-AE2

REV. 0

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA-1131
(COPPER)



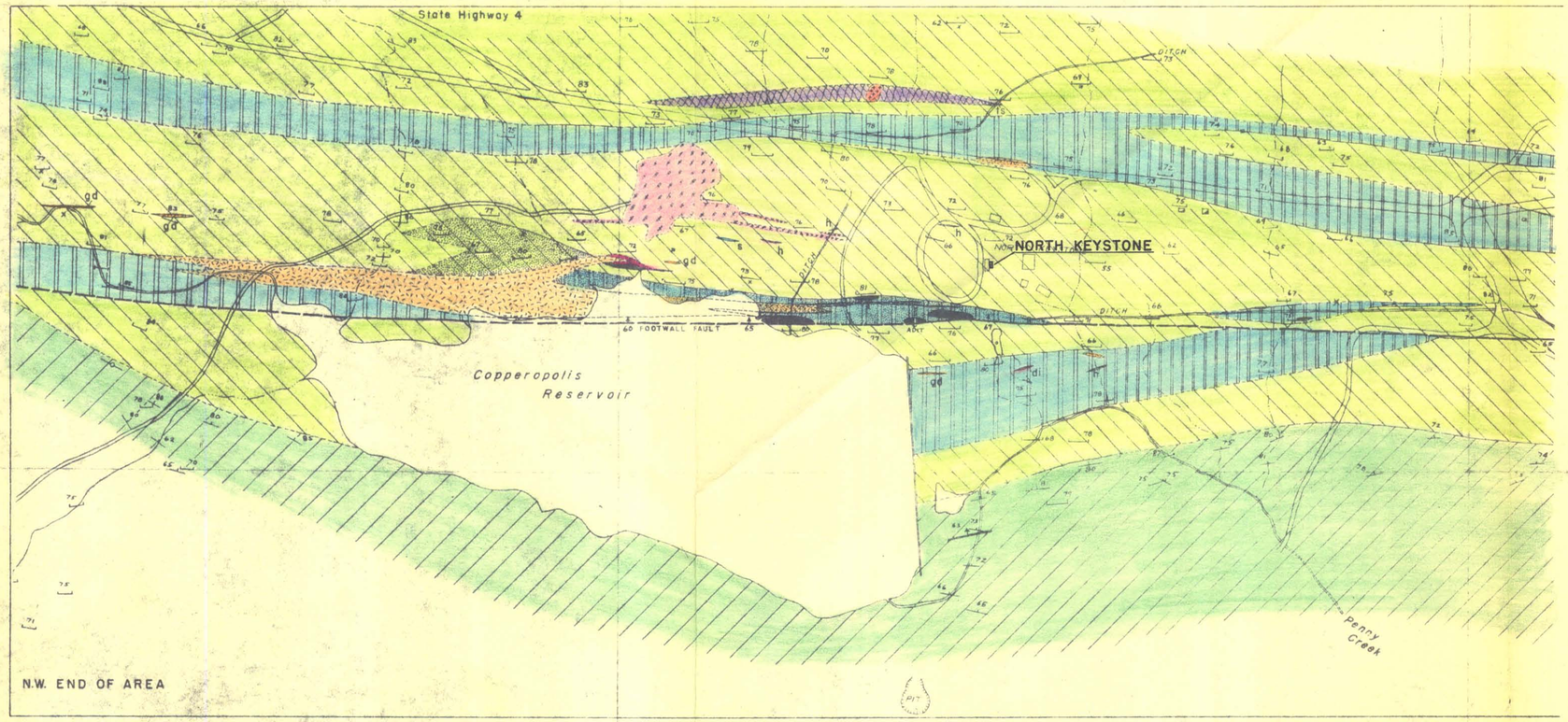
Mapped by L. D. Clark and D. B. Tatlock, September 1952

SIERRA COPPER COMPANY, DONNER EXPLORATION, CALAVERAS COUNTY, CALIFORNIA

GEOLOGIC MAP OF THE COPPEROPOLIS DISTRICT

COPPEROPOLIS, CALAVERAS COUNTY, CALIFORNIA

BY
G. R. HEYL AND J. B. HADLEY

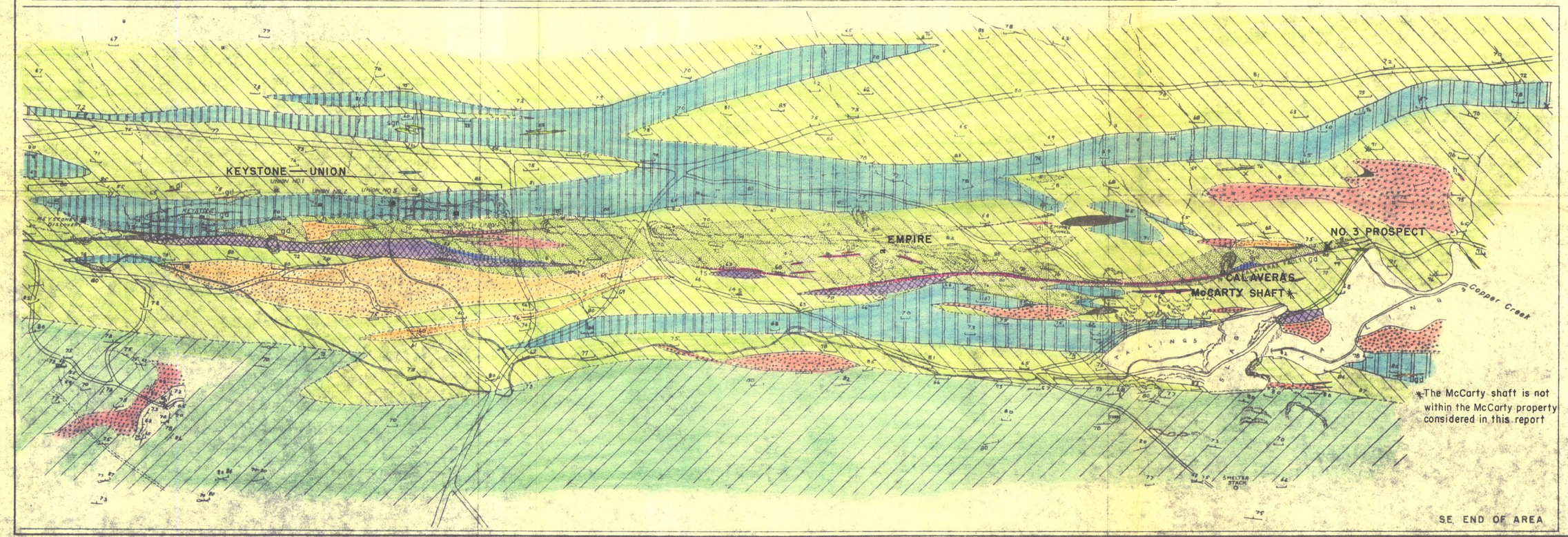


SCALE

0 200 600 1000 Feet

EXPLANATION

- Gossan
- Quartz vein
- Chloritized rock
- gd Granodiorite
- di Diorite and quartz diorite
- h Hornblendite
- hb Hornblendite breccia
- gb Saussuritized gabbro
- sp Serpentine
- ts Talc schist
- Small dikes, type indicated by letter symbol
- sl Argillaceous slate
- sgn Schist and greenstone of volcanic origin, with slaty tuff intercalations
- hty Bedded hornstone, tuff, and volcanic breccia
- Contact, dashed where approximately located
- Fault showing dip dashed where approximately located
- Trace of individual bed
- Strike and dip of beds
- Vertical beds
- Strike and dip of cleavage or schistosity
- Vertical cleavage or schistosity
- Caved shaft
- X Pit or trench
- Shaft
- Dump

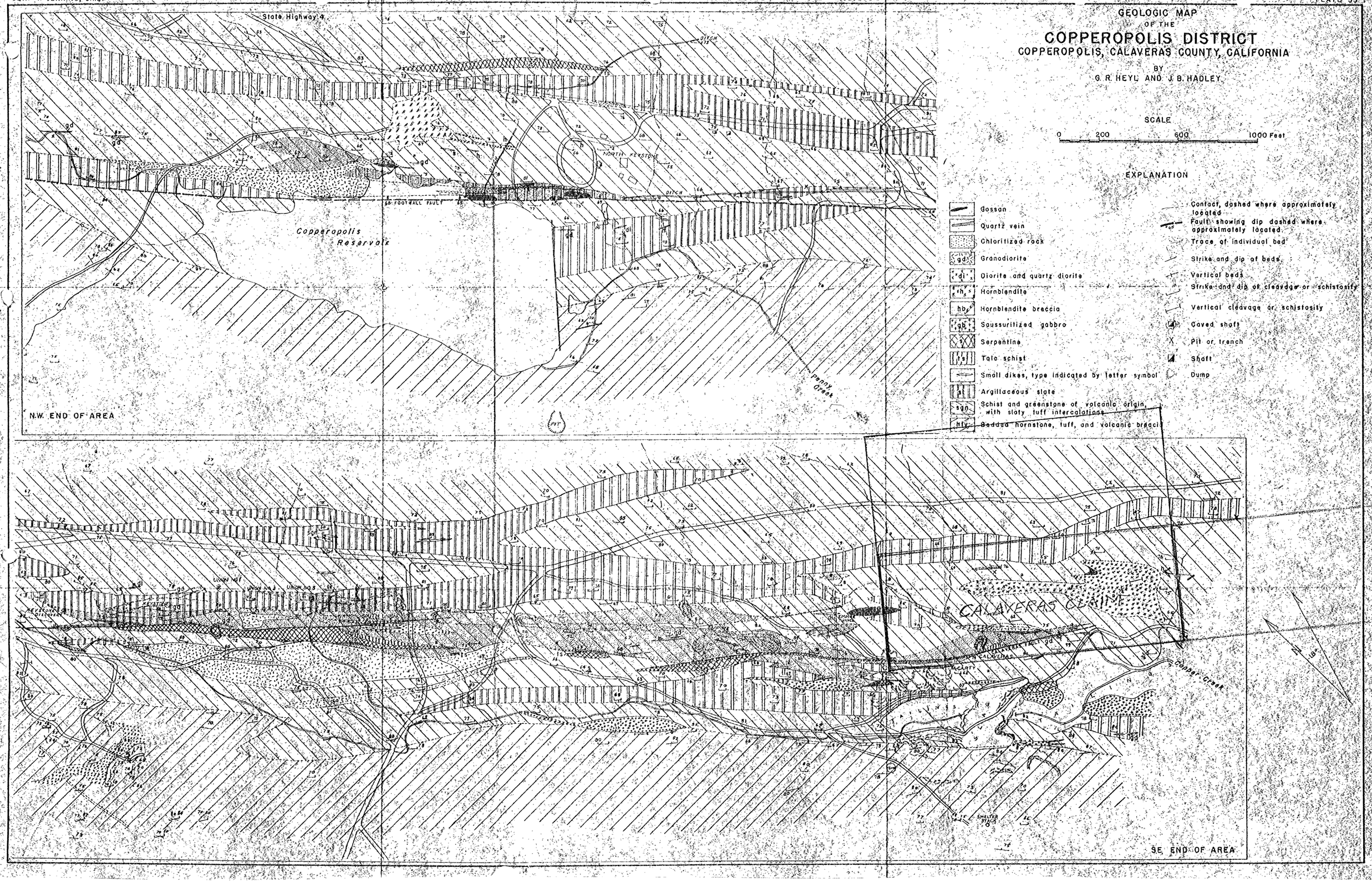


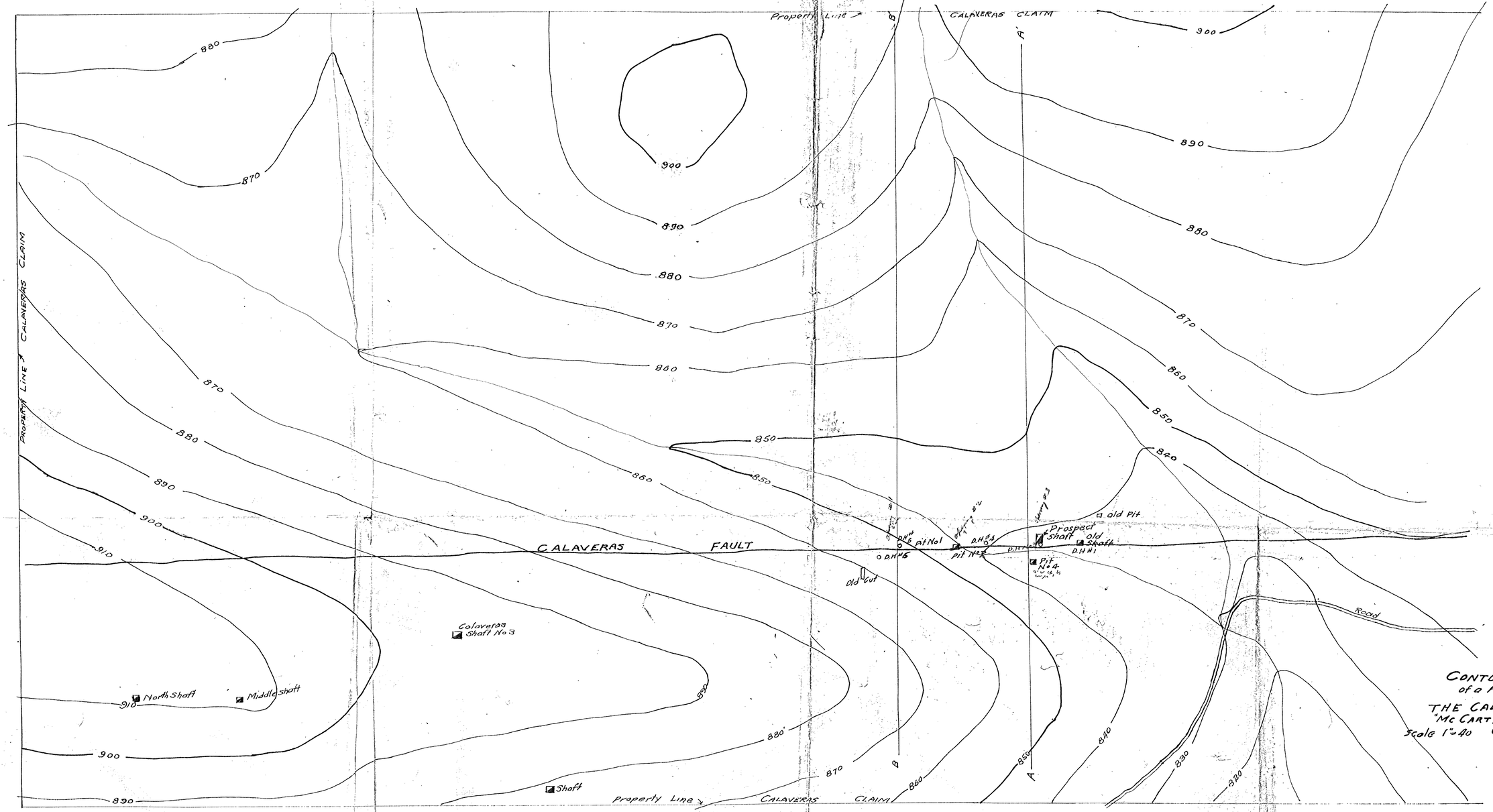
*The McCarty shaft is not within the McCarty property considered in this report

GEOLOGIC MAP OF THE COPPEROPOLIS DISTRICT

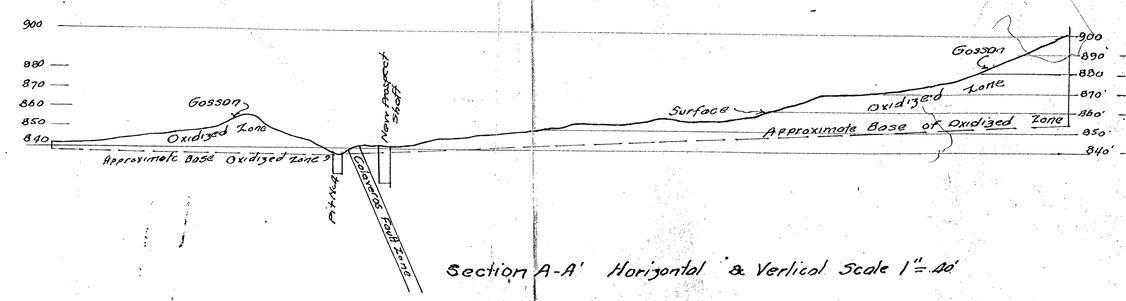
COPPEROPOLIS, CALAVERAS COUNTY, CALIFORNIA

BY
G. R. HEYL AND J. B. HADLEY

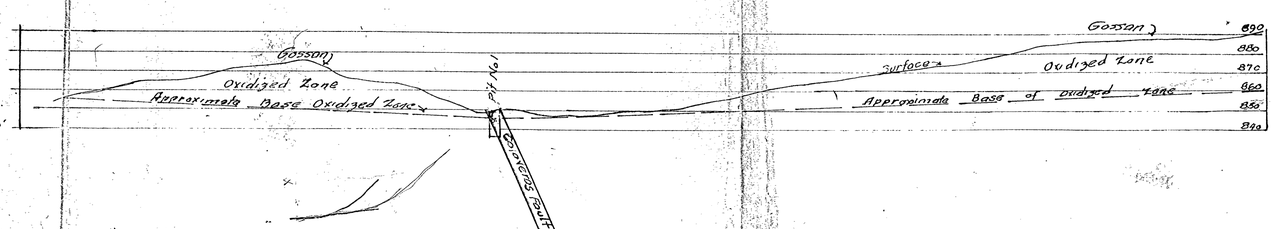




CONTOUR MAP
of a Portion of
THE CALAVERAS CLAIM
"Mc CARTY PROPERTY"
Scale 1"=40 Contour Interval 10'



Section A-A' Horizontal & Verical Scale 1"=40'



Section B-B

By C Mead 3-16-31