UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 1165

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 _____

_____
Reviewer's Initials

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SUPPLEMENTAL AUDIT CERTIFICATE

I have examined the records and transactions of:

Cordero Mining Company
131 University Avenue
Palo Alto, California

and

1600 Walnut Street
Philadelphia 3, Pa.

pertaining to Exploration Project Contract No. Idm-E64, Docket No. DMEA-1165, dated July 18, 1951 (as amended by the Regional Executive Officer's letter of November 7, 1951, Amendment No. 2 of April 14, 1952, Amended Contract dated December 10, 1952, and the Administrator's letter of September 24, 1954) for the period of August 15, 1951 to March 31, 1953, inclusive, covering a project for the exploration of cinnabar (mercury), at the New Almaden Quicksilver Mine located in Santa Clara County, California.

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

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

Total cost as billed by contractor		$111,503.40
Exceptions (see Audit Report for details):		
Prior to audit	$ -0-	
During audit	1,640.33	1,640.33
Total Accepted Cost		$109,863.07

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eighty-two thousand three hundred ninety-seven and 28/100 Dollars,

$82,397.28

is valid and proper.

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

E. D. Talbert, Auditor

October 19, 1954

SUPPLEMENTAL AUDIT REPORT

During the period of May 4 to 7, 1953, a final audit (covering operations for the period of August 15, 1951 to March 31, 1953) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-E64, Docket DMEA-1165, dated July 18, 1951 (as amended by the Regional Executive Officer's letter of November 7, 1951, Amendment No. 2 of April 14, 1952, and Amended Contract dated December 10, 1952) with the:

Cordero Mining Company
131 University Avenue
Palo Alto, California

and

1600 Walnut Street
Philadelphia 3, Pa.

covering a project for the exploration of cinnabar (mercury) at the New Almaden Quicksilver Mine located in Santa Clara County, California.

The findings of this audit were covered by an Audit Report and an Audit Certificate issued by this auditor as of May 11, 1953. The disallowances, aggregating $2,144.64, taken by this audit included $1,619.71 for the initial rehabilitation and repair of buildings plus $17.72 for payroll taxes and $43.63 for employer's liability insurance on the applicable labor and supervision.

The disallowances of the total of $1,681.06 pertaining to the initial rehabilitation and repair of the buildings was protested by the Operator, first, by a letter dated May 20, 1953 addressed to the Regional Executive Officer (H. C. Miller) by the Company's Comptroller (Donald P. Jones), and second, by a letter dated September 30, 1953 addressed to the Assistant Secretary of the Interior (Felix Wormser) by the Company's Vice President (S. H. Willisten). It was claimed that, although the contract's Exhibit "A" stated "It will not be necessary to rehabilitate any of the buildings ***", subsequent storm damage made certain repairs necessary for the satisfactory completion of the exploration work.

Subsequent investigation by the DMEA staff, both in Washington and the field, resulted in a determination that: (a) a total of six buildings at the mine site were repaired but that the repairs to only one were considered necessary to the exploration project; (b) this building was required for sheltering project equipment and supplies and for housing the drilling crew; (c) the availability of these accommodations influenced the drilling contractor's bid by at least 25 cents per foot; and (d) the costs of repairing this building were approximately 30 percent of the aggregate rehabilitation and repair costs. By letter dated September 24, 1954 the Administrator advised the Operator of his determinations.

Accordingly, an additional amount of $504.31 (consisting of $485.91 for initial rehabilitation and repairs of buildings plus $5.31 for payroll taxes and $13.09 for employer's liability insurance) is allowed by this supplemental audit report.

E. D. Talbert

E. D. Talbert, Auditor

October 19, 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

Cordero Mining Company

131 University Avenue

Palo Alto, California

and

1600 Walnut Street

Philadelphia, Pa.

pertaining to Exploration Project Contract No. Idm-264, Docket No. DMEA-1165, dated July 18, 1951 (as amended by letter of November 7, 1951, Amendment No. 2 of April 14, 1952, and Amended Contract dated December 10, 1952) for the period of August 15, 1951 to March 31, 1953, inclusive, covering a project for the exploration of cinnabar (mercury).

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

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

Total Cost as billed by contractor		$111,503.40
Exceptions (see Audit Report for details):		
Prior to this audit	$ -0-	
During this audit	2,144.64	2,144.64
Total Accepted Cost		$109,358.76

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eighty-two thousand nineteen and 07/100 Dollars,

** $82,019.07 **

$[illegible] paid

is valid and proper.

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

E. D. Talbert
Auditor

May 11, 1953

I INTRODUCTION

During the period of May 4 to 7, 1953, a final audit (covering operations for the period of August 15, 1951 to March 31, 1953) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-E64, Docket No. DMEA-1165, dated July 18, 1951 (as amended by letter of November 7, 1951, Amendment No. 2 of April 14, 1952, and Amended Contract dated December 10, 1952) with the:

Cordero Mining Company
131 University Avenue
Palo Alto, California
and
1600 Walnut Street
Philadelphia, Pa.

covering a project for the exploration of cinnabar (mercury).

The original accounting records under this contract are located in the office of the Comptroller of the Sun Oil Company, 1608 Walnut Street, Philadelphia, Pennsylvania. Copies of many of the documents also are maintained in the office of the Cordero Mining Company at Palo Alto, California.

Prior to the actual site audit of the records Mr. George Maver, DMEA Auditor for Region III, rendered considerable preparatory assistance by reviewing the records of the DMEA Finance Officer for Region III, in discussing pertinent questions with Mr. H. C. Miller, Executive Officer of the DMEA Field Team for Region III, and by visiting the Palo Alto office of the contractor for discussions with Mr. Doyle Luther, Office Manager, and Mr. S. H. Williston, Vice President.

During the course of the audit this auditor consulted the following officers and employees in the Philadelphia, Pennsylvania, offices of the Sun Oil Company and its wholly-owned subsidiary, the Cordero Mining Company:

Mr. Donald P. Jones, Comptroller, Sun Oil Company
18th Floor, 1608 Walnut Street
Mr. S. H. Williston, Vice President, Cordero Mining Company
5th Floor, 1600 Walnut Street
Mr. M. L. Webster, Manager Bookkeeping Department,
Sun Oil Company,
17th Floor, 1608 Walnut Street
Mr. Joseph J. Boyle, Bookkeeper, Sun Oil Company
17th Floor, 1608 Walnut Street

In preparation for the audit Mr. Boyle had assembled all pertinent documents; i. e., check-vouchers (with invoices and purchase orders attached), canceled checks and employees' time cards, and had prepared a listing of all payments to vendors. This preparatory work, as well as his cooperative assistance when required, greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for this project are completely integrated, through an apparently modern and comprehensive system, with the general accounts covering other operations of the Cordero Mining Company. Although the accounts are located in, and maintained by, the office of the Comptroller of the Sun Oil Company, they are kept as a set of records entirely separate from those of the latter Company. Mr. Joseph J. Boyle is bookkeeper for the Cordero Mining Company and another subsidiary of the Sun Oil Company.

A separate cost account, entitled "Work in Process--Almaden", was maintained for this project with taxes and insurance on an accrual basis and all other costs on a cash basis being recorded therein. A voucher-check system was in effect with payments being made by checks signed generally by Mr. J. Eldon Gilbert, Manager of the Cordero Mining Company and drawn on an account maintained with the First National Bank of Reno, Nevada. The voucher-checks with invoices attached were forwarded by the branch office of the Company (located in San Francisco until December 1952 and in Palo Alto, California, thereafter) to the Philadelphia office for accounting purposes. The latter office prepared monthly listings of charges to the project and forwarded them to the branch office for preparation of the monthly Forms MF-104.

III SCOPE OF AUDIT AND FINDINGS

Since all documents pertinent to this project had been assembled in anticipation of the audit, it was unnecessary to refer to the accounts. The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher for the month of March, 1953, as evidenced by the voucher-checks, canceled checks, invoices, payrolls, employees' time records and other original documents. Since there was a considerable amount of improper distribution of costs to the "Items of Cost" shown on the Form MF-104, as well as some charges of questionable propriety, it was necessary to make a detailed audit of all costs charged. The findings, after correction of the cost distribution, follow:

(1) Independent Contracts:

The audit disclosed that all costs charged were in agreement with the drilling contractor's invoices, the canceled checks, and, with one exception, the terms of the sub-contract as approved by the Government. The sub-contract provided for drilling for depths up to 600 feet; surface hole No. 12, however, was drilled to 803 feet under authority of Amendment No. 2 to the project contract. Amendment No. 2 has been considered as implied approval of the extra costs for drilling this hole. Accordingly, the costs charged and accepted by this audit for the sub-contracted drilling follow:

Surface Drilling:	
4,878 ft. Drilling @ $5.80/ft. (12 holes)	$28,292.40
100 " " @ 6.80/ft.)	
100 " " @ 7.80/ft.) (extra footage on hole #12)	1,486.40
3 " " @ 8.80/ft.)	
148 hrs. Cementing and Drilling Cement @ $8.00/hr.	1,184.00
2 hrs. Surveying @ $8.00/hr.	16.00
Cement, Cement Substitutes, etc.	241.36
	31,220.16
Underground Drilling:	
2,680 ft. (10 holes) @ $5.10/ft.	13,668.00
285 hrs. Cementing and Drilling Cement @ $7.50 hr.	2,137.50
22 hrs. Moving Time @ $7.50/hr.	165.00
3 hrs. Surveying @ $7.50/hr.	22.50
24 hrs. Compressor Delay @ $7.50/hr.	180.00
Cement, Cement Substitutes, etc.	183.00
	16,356.00
Total Costs	$47,576.16

(2) Labor and Supervision:

Analysis of the payrolls and employees' time cards disclosed the following charges applicable to this item of costs:

	Charged	Disallowed	Accepted
Labor (Miners):			
4,303-1/3 hrs. @ $1.50/hr.	$ 6,455.00	$ -	$ 6,455.00
737 " @ $2.25/hr. (overtime)	1,658.25	-	1,658.25
2,292 " @ 1.65/hr.	3,781.80	-	3,781.80
384 " @ 2.47½ hr. (overtime)	950.40	-	950.40
1,040 " @ 1.70/hr.	1,768.00	-	1,768.00
200 " @ 2.55/hr. (overtime)	510.00	-	510.00
Total Labor	$15,123.45	$ -	$15,123.45
Supervision:			
Superintendent (H.J.E. Mitchell):			
3/4 mo. @ $400.00/mo.	$ 300.00	$ -	$ 300.00
1 " @ 475.00/mo.	475.00	-	475.00
7½ " @ 550.00/mo.	4,125.00	-	4,125.00
4¼ " @ 605.00/mo.	2,453.61	20.12	2,433.49
4½ " @ 623.00/mo.	2,803.50	103.50	2,700.00
Acting Superintendent (E.H.Hager):			
1- mo. @ $495.00/mo.	434.23	-	434.23

	Charged	Disallowed	Accepted
Foreman (D. Gardelius):			
3/4 mo. @ $325.00/mo.	$ 243.75	$ -	$ 243.75
1 " @ 362.50/mo.	362.50	-	362.50
7½ " @ 400.00/mo.	3,000.00	-	3,000.00
5½ " @ 440.00/mo.	2,420.00	-	2,420.00
Total Supervision	$16,617.59	$123.62	$16,493.97
Technical Services:			
Resident Geologist (D.L. Curry):			
7½ mo. @ $325.00/mo.	$ 2,193.75	$ -	$ 2,193.75
1-1/3 mo. @ $358.00/mo.	468.15	-	468.15
5 " @ 369.00/mo.	1,845.00	-	1,845.00
Consulting Geologists:			
L.W. Staples, Fees & Salaries	2,867.06	-	2,867.06
" " " Travel & Expenses	323.62	-	323.62
C. N. Schuette, Fees	150.00	-	150.00
" " " Expenses	31.15	-	31.15
Consulting Geophysicist:			
E.L. Stephenson, Travel & Expenses	57.78	-	57.78
Total Technical Services	$ 7,936.51	$ -	$ 7,936.51

The above costs are exclusive of a portion of the Superintendent's, Foreman's and one Miner's salaries and wages properly classifiable under item (5) Initial Rehabilitation and Repairs.

The Superintendent was employed and charged to the project prior to the Amendment (Executive Officer, DMEA Field Team, Region III, letter of November 7, 1951) authorizing the cost. However, both the Superintendent and the Foreman were working men; there were only one and two miners employed during the period involved (August 15, 1951 to November 6, 1951) as compared to four authorized by the contract; and the combined salaries of the Superintendent and Foreman were not in excess of the estimated amounts which would have been paid at $1.50/hr. straight time and $2.25/hr. overtime for two miners. Therefore, it has been considered equitable to allow the Superintendent's salary for the period prior to November 7, 1951, but disallowance is made of the excess of later payments over the rate of "up to $600 a month" authorized by the Amendment.

Interim Inspection Reports prepared by Bu Mines Engineer John D. Warne, dated December 23, 1952, and February 25, 1953, transmitted as Field Team Reports by the Executive Officer's letters of January 7 and March 3, 1953, respectively, indicate that the costs of a superintendent and one man in retimbering and repair work in the latter stages of project are considered excessive, extravagant and unnecessary. It is understood,

however, that California law prohibits one man working alone underground and, furthermore, the Region III Executive Officer has expressed the opinion that all of the work was necessary and the costs were unavoidable in order to safeguard the drilling crew by constant retimbering and repair work.

(3) Operating Materials and Supplies:

A detail audit was made of all items chargeable to this category of costs, and the following summarizes the findings resulting from the examination of vouchers, invoices and canceled checks:

	Charged	Credited	Dis-allowed	Acceptable
Timber	$ 8,657.11	$ -	$ -	$ 8,657.11
Explosives	57.84	-	-	57.84
Pipe	1,488.39	700.00	-	788.39
Track	2,664.53	864.00	-	1,800.53
Power	587.03	-	-	587.03
Other: Diesel & Other Fuel for Equip.	2,045.80	-	-	2,045.80
Gasoline & Oil for Vehicles	681.07	-	-	681.07
Copperate 20 Fungicide	712.66	-	-	712.66
Carbide, Acetyline & Oxygen	155.38	-	-	155.38
Photostats, etc.	167.46	-	-	167.46
Telephone	324.64	-	12.97	311.67
Tires and Tubes	176.83	40.00	-	136.83
Tools, Hdwe. & Misc.	283.03	-	42.62	240.41
	$18,001.77	$1,604.00	$55.59	$16,342.18

The credits shown in the above summary result from the acceptance by the Executive Officer, DMEA Field Team, Region III, by letter dated March 26, 1953, of the Company's bid for the following project material:

4,000 ft. 2" Pipe @ $.17½/ft.	$700.00
12 tons Rail @ $72.00/ton	864.00
4 6.50 x 20 Tires and Tubes @ $10.00 ea.	40.00

The Vice President of the Company advised that no timber, fuels or other supplies in excess of $50 per category were on hand at the conclusion of the project.

The item of $57.84 represents a reimbursement to the Superintendent for a local purchase of 5 cases of powder. The contract specifically states "No explosives required in Day tunnel." The Company's Vice President advised, however, that these explosives were required for slabbing out a drill station in unexpectedly hard rock and had no connection with the Day tunnel repairs.

The Gasoline and Oil for Vehicles, while not specifically included in the estimated costs shown in Exhibit "A" of the contract, have been considered reasonable, necessary direct costs of the exploration work and, therefore, allowable. A Ford truck and a Fruehauf tractor trailer were in frequent use, together with other Company-owned vehicles in occasional use, on the project for the hauling of supplies and equipment and for occasional trips to the San Francisco and Palo Alto offices of the Company. The major portion of this gas and oil was purchased on credit card from the Standard Oil Company, and the Cordero Mining Company's records indicate a conscientious effort to charge the project with only a fair share of the charges.

The Vice President of the Company advised that the Copperwate 20 Fungicide was required for treating the timbers to prevent rotting and was necessary since some previous retimbering, as recent as a year and a half prior to this project, had rotted away.

The Telephone charges consisted principally of calls in connection with the purchase of supplies and services, expediting deliveries, and consulting with the geologists. These charges were accrued at four locations as follows:

Sun Oil Company (San Francisco GA 1-3876):	
Toll charges	$ 77.74
Cordero Mining Co. (Palo Alto, DA 5-3254):	
Toll Charges	16.35
New Almaden Mine (Nr. San Jose, CY 2-4139):	
Installation charges	7.58
Monthly service charges	124.34
Message units	31.87
Toll charges	53.79
H. J. E. Mitchell (Hollister, 34-J-4):	
Monthly service charges	12.24
Toll charges	.73
Total	$324.64

The charges for the phones at New Almaden Mine and the Mitchell residence were included in the monthly reimbursements to the Superintendent. The charges for the residential phone, covering three months' service, are disallowed as not being a proper cost to the project. It is believed that this was a bookkeeping error since all other months were charged to a Company Administration account.

Included in the Tools, Hdwe. & Misc. item are the following charges:

1951 Christmas presents to Miners	$ 30.72
Dinner at San Jose, September, 1951	1.03
Dinners at Almaden, September, 1951	10.87

The first two of these items represent reimbursements to H. J. E. Mitchell, Superintendent of the project, and the last is a reimbursement to J. Elden Gilbert, Manager of the Cerdero Mining Company. Since these items are in the nature of general overhead and corporate management expenses, which are specifically prohibited by contract terms as allowable costs of the project, they are disallowed.

(4) Operating Equipment:

The audit disclosed the following costs as being applicable to this category:

	Charged	Credits	Acceptable
Rental:			
Bulldozer w/Operator 7 hrs. @ $9.00	$ 63.00	$ -	$ 63.00
" " 5½ " @ 10.00	55.00	-	55.00
	$118.00	$ -	$118.00
Purchased:			
Timber Saw, Mall 12A 18"	$329.60	$150.00	$179.60
Electric Motor, 3/4 HP, 110V.	69.42	15.00	54.42
Battery, Exide 6TQ29	89.18	15.00	74.18
	$488.20	$180.00	$308.20

The rentals of bulldozers, according to papers supporting the vouchers were necessary for "removing slide on water-line" on August 26, 1951 and "work on water line" on September 27, 1952. The first charge was a reimbursement to the Superintendent and the second a payment to the vendor (R. R. Alameda, Los Gatos, California). According to the Vice President of the Company both of these rentals were to meet emergency conditions due to rupturing by slides of the water-line to the mine. Therefore, it is considered an allowable cost.

The credits shown under Equipment Purchased result from the acceptance of the Company's bid for project material as referred to under item (3) Operating Materials and Supplies.

(5) Initial Rehabilitation and Repairs:

As a result of this audit it was determined that certain costs for the initial repair and rehabilitation of living quarters for the Company's and sub-contractor's employees were properly for classification under this title. These costs are summarized as follows:

Salaries and wages:

Superintendent	3/4 mo. @ $400/mo.	$300.00
Foreman	3/4 " @ 325/mo.	243.75

Miner	256-2/3 hr. @ $1.50/hr.	385.00
Miner	12 " overtime	27.00
		955.75
Roofing materials, flooring and other lumber		642.95
Plumbing supplies		21.01
Total (exclusive of payroll taxes and insurance)		$1,619.71

The Operator in the preparation of his monthly Forms MF-104 had allocated a total of $1,362.72 to this item of costs; however, the audit disclosed an additional item in the amount $256.99 for the purchase of roofing materials, flooring and other building lumber during the period covered by the first Form MF-104, i. e., August 15 to September 30, 1951. There were undoubtedly some other small items of hardware and electrical supplies properly chargeable to this rehabilitation, but which have been included in the item of Tools, Hdwe. and Misc. under category (3) Operating Supplies and Materials. However, since they can not be identified specifically as applicable to rehabilitation and since they are of relatively inconsequential value the material charges shown in the above summary are being accepted as the total costs applicable to rehabilitation.

Since Exhibit "A" to the contract specifically provides that "It will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work", the entire amount of $1,619.71 is disallowed.

(6) New Buildings, Improvements, etc.:

This item is not applicable to this contract.

(7) Miscellaneous:

Costs charged to the project and properly for classification under this category were found by audit to be as listed below:

	Charged	Disallowed	Accepted
Repairs to Equipment	$ 193.93	$ -	$ 193.93
Sampling and Analysis	390.37	-	390.37
Payroll Taxes	792.40	17.72	774.68
Liability Insurance	3,719.37	57.64	3,661.73
Truck Insurance	153.36	153.36	-
Truck Registration Fees	117.00	117.00	-
Mileage (1,567 mi. @ $.06/mi.)	94.02	-	94.02
Hospital and Health Insurance	345.56	-	345.56
	$5,806.01	$345.72	$5,460.29

The Repairs to Equipment cover numerous small items of parts, labor and welding services for the compressor, jack, pump and vehicles. The Sampling and Analysis costs represent the purchase of core boxes.

The Payroll Taxes cover the Federal Old Age Benefit, Federal Unemployment and California Unemployment taxes at the following rates, which were verified by reference to the Company's records:

Federal Old Age Benefit	1.5%	on the first $3,600 of wages
Federal Unemployment	.3%	
California Unemployment:		
Calendar Year 1951	2.5%	on the first $3,000 of wages
" " 1952	1.0%	
" " 1953	.3%	

Disallowance is made for the taxes on the portion of the wages of a miner disallowed under (5) Initial Rehabilitation and Repairs, i. e., $412.00 at the combined rate in effect for that period (August 15 to November 30, 1951) of 4.3% or $17.72 total. No disallowance is made for the portion of the Superintendent's and Foreman's salaries involved, since their annual earnings had passed the applicable tax limitations. For the same reason no disallowance has been made for the amounts of the Superintendent's salary disallowed under (2) Labor and Supervision.

The charge for Liability Insurance of $3,719.37 covers workman's compensation insurance. The Company's files disclosed that the following rates were in effect for the compensation insurance under policies with the Zenith National Insurance Company:

Period	Surface	Underground
August 15 to September 30, 1951	$4.53	$ 9.44
October 1, 1951 to January 31, 1952	4.67	9.73
February 1, 1952 to March 15, 1952	4.86	9.81
March 16, 1952 to March 15, 1953	3.94	11.33

In view of the salary and wage disallowances made under (2) Labor and Supervision and (5) Initial Rehabilitation and Repairs, disallowances for the compensation insurance are required as follows:

Superintendent:	$300.00	@	$4.53	$13.59
	123.62	@	11.33	14.01
Foreman	243.75	@	4.53	11.04
Miner:	171.00	@	4.53	7.75
	241.00	@	4.67	11.25
Totals	$1,079.37			$57.64

The Truck Insurance charge of $153.36 is an apportionment for two trucks of a share of the Company's premiums for public liability, property damage, fire and theft insurance under a blanket policy covering all of the Company's automotive vehicles. The Truck Registration Fees in

the amount of $117.00 cover costs reimbursed to the Superintendent, for California State registration and personal property taxes on a 1951 Ford and a 1942 Fruehauf. Neither of these charges are considered necessary direct costs of the exploratory work, as defined by the contract, since they are more in the nature of items of general overhead. The Company would have incurred these costs regardless of the existence of the project contract.

The mileage charge represents, according to the Company's Vice President, reimbursements to the Superintendent of the exploration project for the use of his personal car in obtaining supplies when trucks were not available, transporting consultants to and from rail and plane terminals, and meeting other transportation requirements of the project.

The Hospital and Health Insurance costs represent the Company's share of the costs of group insurance policies covering life, medical, surgery and hospital benefits for employees and dependents issued by the Equitable Life Assurance Society of the United States. The premiums are based on numerous rates, i. e., separate rates for each of the benefits, applicable to the individual employee's average weekly earnings in each month, in the case of wage rate employees, and on the number of employees in the case of salaried employees. Since this insurance, which was effective May 15, 1952, represents a part of a Company-wide labor relations improvement policy it has been considered an allowable cost of the project.

IV CONCLUSIONS

This audit has disclosed that all costs, as charged to this project, with the exception of the disallowances itemized under items (2) Labor and Supervision, (3) Operating Materials and Supplies, (5) Initial Rehabilitation and Repairs, and (7) Miscellaneous of the preceding section of this report, are reasonable and proper under the terms of the contract. With respect to the allowed costs for explosives, gasoline and oil for vehicles, telephone charges, bulldozer rentals, and mileage charges, the Executive Officer of the Region III, DMEA Field Team, has determined that these items are necessary, reasonable direct costs of the project.

The adjustments between "Items of Costs" as shown on the March, 1953, Form MF-104, the recommended disallowances, and approved amounts are summarized as follows:

	Totals Mar-MF-104	Corrected Distribution	Disallowed by Audit	Allowed by Audit
(1) Independent Contracts:				
Drilling	$ 47,576.16	$ 47,576.16	$ -	$ 47,576.16
(2) Labor & Supervision:				
Labor	19,630.35	15,123.45	-	15,123.45
Supervision	16,617.59	16,617.59	123.62	16,493.97
Technical Services	3,404.21	7,936.51	-	7,936.51
(3) Operating Matls.& Sup.:				
Timber	8,914.10	8,657.11	-	8,657.11
Explosives	57.84	57.84	-	57.84
Pipe	539.96	788.39	-	788.39
Track	1,849.84	1,800.53	-	1,800.53
Power	587.03	587.03	-	587.03
Other	5,918.33	4,506.87	55.59	4,451.28
(4) Operating Equipment:				
Rental	-	118.00	-	118.00
Purchase	-	308.20	-	308.20
(5) Initial Rehab. & Repairs	1,362.71	1,619.71	1,619.71	-
(7) Miscellaneous:				
Repairs to Equipment	-	193.93	-	193.93
Sampling & Analysis	-	390.37	-	390.37
Payroll Taxes	792.40	792.40	17.72	774.68
Liability Insurance	3,719.37	3,719.37	57.64	3,661.73
Truck Insurance	153.36	153.36	153.36	-
Truck Registration	-	117.00	117.00	-
Transportation(Mileage)	34.59	94.02	-	94.02
Hosp. & Health Ins.	345.56	345.56	-	345.56
Totals	$111,503.40	$111,503.40	$2,144.64	$109,358.76

At the conclusion of the audit the findings were discussed in detail with the Vice President of the Cordero Mining Company (Mr. S. H. Williston) and in general with the Manager of the Bookkeeping Department (Mr. M. L. Webster) and the Comptroller (Mr. D. P. Jones) of the Sun Oil Company.

E. D. Talbert
E. D. Talbert
Auditor

May 11, 1953

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

DOCKET NO. DMEA 1165X

COMMODITY Mercury

Government's Copy

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

IDMEE 64

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

AMENDED

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 10th day of December, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Cordero Mining Company, a corporation duly organized and existing under and by virtue of the laws of the State of Nevada, hereinafter called the Operator, that Contract No. Idm-E64, dated July 18, 1951, between the same parties is amended and superseded as set forth in Annex I and as follows:

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of California, County of Santa Clara, known as the ~~xxxxxxxxxxxxx~~New Almaden Quicksilver Mine, described in the Annex to the prior contract entitled "Description of New Almaden Quicksilver Property," consisting of parcels 1 to 10 inclusive as shown on the map attached to the prior contract entitled "Exhibit A 10-391", containing some 5,000 acres more or less, being parts ~~the Operator represents and undertakes:~~ of Ranchos Capitancillos and San Vincente (Both the above map and the Annex being made a part of this amended contract)

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

the Operator represents and undertakes: 4/

*subordination agreement of the lessor is attached to the prior contract and made a part hereof.

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~owner's consent is attached.~~ /*

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

ARTICLE 3. *Exploration project.*—The Operator, ~~within~~ has ~~days from the date hereof shall~~ commenced work on a project of exploration for[5] cinnabar (mercury)

in or upon the described land; and shall bring the project to completion ~~within a period of~~ prior to December 1, 1953 ~~months from the date of this contract.~~ The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $150,621.00, which is 75 percent of $200,828.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed, total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

Cordero Mining Company
(Operator)

By S. H. Williston

I, E. A. WILLISTON, certify that I am the ASSISTANT secretary of the corporation named as Operator herein; that S. H. WILLISTON, VICE PRESIDENT, who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

E. A. Williston

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

EXPLORATION PROJECT CONTRACT
CORDERO MINING COMPANY
DOCKET NO. DMEA-1165X

ANNEX I

WHEREAS, the parties to this amended agreement are also parties to Contract Idm-E64 dated July 18, 1951, executed on Form MF-200 (June 1951) hereinafter called the "Prior Contract" and;

WHEREAS, the parties desire to restate their agreement on the new contract form MF-200 (Revised Feb. 1952); and

WHEREAS, the reopening of the Day tunnel encountered unforeseen difficulties and the parties have decided to restate and reallocate the costs of the work to be done;

NOW THEREFORE, it is mutually agreed that : (1) effective as of July 18, 1951, the Prior Contract is amended and superseded by this Amended Contract which shall control the Government's claim and lien for percentage royalty, and in which all the rights and obligations of both parties have become fully merged, except that vouchers and claims for the Government's contribution to the work performed under Stage I of the Prior Contract prior to the date of signing of this Amended Contract by both parties hereto, and payment thereof shall be as therein provided; (2) the Operator hereby releases and agrees to save harmless the Government from all claims and demands arising out of the Prior Contract except as otherwise herein provided; and (3) Exhibit "A" Amended attached hereto and made a part hereof shall be substituted for Exhibit "A" of the Prior Contract.

EXPLORATION PROJECT CONTRACT
CORDERO MINING COMPANY
DOCKET NO. DMEA-1165X

EXHIBIT "A" AMENDED

Description of the Work

The object of this project is to explore for cinnabar (mercury) in the lands referred to in Article 2 of the Amended Exploration Project Contract. The work shall be done in two stages. Stage I shall consist of the following:

As indicated on the geological map attached to the prior contract, and made a part hereof, locations A and B are to be diamond drilled with approximately six holes each from 300 to 700 feet in length.

As indicated on the geological cross-section map attached to the prior contract and made a part hereof, locations C and D are to be diamond drilled with approximately six holes averaging 400 feet in length, and five holes averaging 350 feet in length.

All these holes will be approximately BX size and both their underground and surface locations will be determined by the Operator with the approval of the Government.

The old caved Day tunnel is to be reopened and with Government approval spiled, where necessary, approximately 1166 feet or more.

Stage II shall be undertaken only in the event that any of the areas A, B, C and D, in the opinion of the Government show sufficient mercury mineralization, to warrant proceeding with this work which shall consist of sinking a shaft and drifting to determine whether any disclosed mineralization is of commercial grade.

Since the underground workings below the Day tunnel have not been reopened since before 1900 a new shaft from the surface, or winze from the Day level may be necessary. However, an effort should be made to utilize the old underground work from the nearest abandoned workings wherever that may be possible.

Estimated Costs of the Project[1]
(*Indicates allowable maximum)

Stage I

For drilling locations A, B, C, and D, and re-opening the Day tunnel, the following costs are estimated:

Opening approximately 1166 feet of the caved Day tunnel and maintaining same until the drilling program is completed 2/	$48,492.00	
Rental of equipment @ $408.00 per month for 6 months 3/	2,448.00	
Purchase of equipment, and utilities 3/	3,088.00	
Geologist for one year	7,000.00	
Approximately 9,550 feet of drilling @ $6.50 per foot 4/	62,075.00	
Field office accounting	1,547.00	
Total estimated cost of Stage I		$124,650.00

Stage II

To sink a shaft from the surface and from there to drift to locations A and B, and to drift from the Day tunnel or the next tunnel below to the locations C and D, the following costs are estimated:

Equipment purchase 5/	2,250.00
Equipment rental @ $1,220.00 per month for 12 months 5/	14,640.00

1/ Wherever reference is made to items in Exhibit "A" of the Prior Contract, these are incorporated by reference into this Exhibit "A" Amended.

2/ This includes all costs of the work other than those other items referred to in Stage I. The cost per foot for timbering and labor are itemized on pages 4 and 6 of Exhibit "A".

3/ These costs are itemized in Exhibit "A" of the Prior Contract on page 4.

4/ This includes all drilling costs of every kind.

5/ These costs are itemized in Exhibit "A" of the Prior Contract on page 5.

Utilities 6/	$8,500.00	
Sink 300 feet of shaft @ $78.46 per foot (timber $31.14; labor, $38.42; explosives $3.40; miscellaneous and supervision $5.50) 7/	23,538.00	
900 feet of exploratory drifts untimbered @ $22.50 per foot (including explosives)	20,250.00	
Geologist for one year	7,000.00	
Total estimated cost of Stage II		$76,178.00

S U M M A R Y

Stage I	$124,650.00	
Stage II	76,178.00	
Total amount of Contract		$200,828.00
Government Participation @ 75%		$150,621.00

NOTE: The reference in Exhibit "A" of the Prior Contract to Exhibits "C" and "D" is to be disregarded.

6/ These costs are itemized in Exhibit "A" on page 3.

7/ These costs are itemized in Exhibit "A" on pages 5 and 6.

AMENDMENT NO. 2

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Exploration Project Contract Idm-E64

Docket DMA-1165X Cordero Mining Company

"Contract Idm-E64, dated July 18, 1951, between the United States of America and Cordero Mining Company is hereby amended as follows:

"The schedule in Exhibit 'A' attached to the contract form is amended to provide for the drilling of one diamond drill hole at location 2120 N and 7155 W, 800 feet long bearing S 60° W at an angle of -60° from the horizontal, and one diamond drill hole at location 2830 N and 7830 W, 800 feet long bearing S 48° W at an angle of -55° from the horizontal. The location of the two drill holes with relation to the American shaft is shown on the attached map.

"This amendment 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.

"Dated April 14, 1952.

"UNITED STATES OF AMERICA

"By [signature]
Executive Officer - DMEA

"CORDERO MINING COMPANY

"By [signature]
S. H. Williston, Vice President

[illegible]
Defense [illegible]

APR 8 - 1952

Docket Copy

AMENDMENT NO. 2

Docket No. DMA-1165X Mineral Mercury

Exploration Project Contract Idm-E 64

Date of Contract July 18, 1951

Date of Amendment April 14, 1952

Operator Cordero Mining Co.

JUSTIFICATION

Early work under the contract showed the advisability of amending the contract to permit the drilling of two diamond drill holes as suggested by the Geological Survey. This amendment defined the location, depth-bearing and dip of the two holes, and approved their drilling

APR 14 1952

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

SD

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

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

Office of
Executive Officer
DMA Field Team
Region III

November 7, 1951

Copy referred to as Exhibit A

Mr. E. H. Williston
Vice President
Cordero Mining Company
703 Mechanics Institute Building
57 Post Street
San Francisco 4, California

Re: DMA Exploration Project Contract Idm-864
New Almaden Mine (Mercury), Santa Clara
County, California - DMI-1165X

Dear Mr. Williston:

I acknowledge your letter dated October 31, informing me that you find it difficult to carry out the authorized exploration work at the New Almaden Mine as it applies to wage rates.

It is known that the Wage Stabilization Board in certain instances is approving increases in the wages paid to miners, and that the allowed increases gradually filter through to miners of all kinds. I appreciate also that in a contract extending over a long period of time it is impossible to set down a definite wage rate that would hold throughout the life of the contract. It is agreeable, therefore, that your contract be amended to provide for skilled miners "up to $2.00 per hour".

Your statement made to me over the phone that you are working in tricky ground, that the highest type of supervision is needed at all times lest you lose what work already has been done, and that your foreman and superintendent both are working men engaged in actual mining operations, has been verified by our examining engineers and geologists. It is understood also that not only are better than average miners needed on your operation, but that the services of an exceptionally skilled working foreman and working superintendent are essential. Accordingly, approval is granted that you pay your foreman (shift boss) "up to $500 a month", and your working superintendent "up to $600 a month" with the understanding that you intend to pay them only that amount up to those figures that is necessary to keep them.

Your contract permits you to spend $7,000 for the services of a geologist under phase 1 and a similar sum under phase 2. Inasmuch as your contract runs for a period of two years, I see no reason why you should not, as you suggest, interpret the provisions for geologist "as a total of $7,000 to be expended in any one year".

It is understood, of course, that the above approval to change your contract, as outlined, shall not be construed to increase the estimated total cost of theproject, 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
DMA Field Team, Region III

Copy to C. O. Mittendorf (3)

AMENDMENT NO. 1

Docket No. DMA-1165X Mineral Mercury

Exploration Project Contract Idm-E 64

Date of Contract July 18, 1951

Date of Amendment Nov. 7, 1951

Operator Cordero Mining Co.

JUSTIFICATION

The action of the Wage Stabilization Board in approving increases in the wage scale in the copper industry likewise affected wage demands elsewhere. The amendment was drawn to permit the company to pay increased wages forced upon them by wage agreements.

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

MF-200
(June 1951)

Docket No. DMA 1165X
Commodity Mercury
Idm - E64

Idmc

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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EXPLORATION PROJECT CONTRACT [1]

RECEIVED JUL 25 1951 G.A.O.

It is agreed this 18th 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] Cordero Mining Company, a Nevada corporation, with offices at 57 Post Street, San Francisco, California and 1600 Walnut Street, Philadelphia, Pa.

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 Santa Clara described as follows: [3] New Almaden Quicksilver Mine, being more fully described on annex to this contract entitles "Description of New Almaden Quicksilver Property" consisting of parcels 1 to 10 inclusive, as shown on map attached hereto market "Exhibit A 10-391", containing some 5,000 acres more or less, being parts of Ranchos Capitancillos and San Vincente.

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 sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] Cinnabar (mercury); 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] two (2) years 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. Any 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 currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. 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.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. 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.

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[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

16—64066-2

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or 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.* 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 is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The 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, analytical work, accounting, 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 this 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, taxes, or any other indirect costs not expressly allowed by these provisions, 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. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $150,621.00, which is 75 percent of the agreed estimated total cost of this project, $200,828.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator 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.

15. *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 for each additional 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 mineral deposit 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.

16. *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.

17. *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 sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____

Administrator - Defense Minerals Administration

Cordero Mining Company
(Operator)

By _____

S. H. Williston, Vice President

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXHIBIT "A"

The United States Geological Survey has recently completed an extensive geological study of this property. This exploration project is to drill and otherwise explore in accordance with the recommendations of this report, copies of which have been submitted in support of this project.

On the geological map attached Cordero expects to diamond drill locations "A" and "B" with approximately six holes of from 300 to 700 feet deep. (The U.S.G.S. report estimates 200 to 600 feet but Cordero is allowing a 100 foot safety factor due to the complexity of the geology). One group of these holes averages 500 feet and the other group averages 400 feet.

This diamond drilling in Areas "A" and "B" will start within sixty days after the signing of the contract and should be completed within six months thereafter.

On the geological cross-section attached Cordero expects to diamond drill locations "C" and "D" with approximately six holes averaging 400 feet and five holes averaging 350 feet.

All these holes will be BX. Experience indicates that smaller sizes are unsatisfactory in drilling the badly fractured material usually encountered in mercury deposits.

These diamond drill holes, both surface and underground, will be located at points mutually acceptable to Cordero's geologists and the Government. Since the location of each hole will depend on the findings in the previous drilling, it is impossible to make exact locations of all of the holes before commencing of operations.

In addition to the drilling set forth above, it will be necessary to reopen the old Day tunnel now caved. Since the ground in this area is very bad and the tunnel has been reopened several times, estimates must cover the complete cost of spiling 600 feet. The reopening of this tunnel will be started within thirty days of the signing of the contract and should be completed within six months thereafter. The drilling of Areas "C" and "D" should be completed within six months after the opening of the tunnel. The drilling and tunnel reopening covered in the preceding paragraphs should be completed within one year and comprises Phase One of the exploration contract. In the event any of Areas "A", "B", "C" and "D", in the opinion of the Government, show appreciable mercury mineralization, Phase Two may be started.

Phase two covers the sinking of a shaft and drifting underground to determine whether the amounts are commercial. Experience in the industry clearly indicates that diamond drilling alone is unreliable in determining amount or grade of ore in mercury deposits. Since the underground workings below the Day tunnel have not been reopened since before 1900, a new shaft from the surface or winze from the Day level may be necessary, although an effort will be made to utilize old underground work from the nearest abandoned workings, wherever that may be possible.

If the diamond drilling of localities "A", "B", "C" and "D" in the opinion of the Government show no mineralization, the 2nd phase will be abandoned. If any of Areas "A", "B", "C" or "D" in the opinion of the Government show worthwhile mineralization, the second phase of shaft sinking and drifting will be completed. Cordero is basing this exploration program on the expectation that one area will be favorable and three areas unfavorable. A shaft 600 feet in depth and drifting of 900 feet underground is included in the estimates of Phase 2. Phase 1 is expected to be completed within one year and Phase 2 within two years. Estimate of expenditures is approximately $25,000 per quarter for eight quarters or a total of $200,828.

A summary of estimated costs of both phases follows:

Phase One

Drill localities A and B and Reopen Day tunnel and drill locations C and D

Opening 600 feet of caved tunnel at $41.59/ft. (Timber $22.78, Labor $15.81, Overhead $3.00 - no explosives)	$ 24,954.00
Rental on equipment $408.00/mo. for 6 mo. (~~Exhibit C~~)	2,448.00
Purchase equipment & utilities (~~Exhibit C~~)	3,088.00
Geologist one year at $7000.00	7,000.00
9,550 ft. of drilling at $6.50/ft.	62,075.00
Field Office Accounting	1,547.00
Total	$101,112.00

Phase Two

To sink from surface and drift at A and B or to drift from Day tunnel or the next level below to C and D

Equipment Purchase	$ 2,250.00
Equipment rental $1,220.00/mo. for 12 mo. ~~(Exhibit C)~~	14,640.00
Utilities ~~(Exhibit B)~~	8,500.00
Sink 600 ft. shaft at $78.46/ft. (Exhibit D) (Timber $31.14, Labor $38.42, Explosives $3.40, Misc. & supervision $5.50)	47,076.00
900 ft. exploratory drifts untimbered at $22.50 (including explosives)	20,250.00
Geologist at $7,000.00	7,000.00
Total	$ 99,716.00

Fixtures and Improvements:

For the first phase of the exploration, no new building would need to be erected. In the second phase, facilities for sinking a shaft and driving underground tunnels would be needed:

Headframe	$4,000.00
Hoisthouse	3,000.00
Compressor house	1,500.00
	$8,500.00

It will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work.

Phase One

Rentals:

Bay Cities Equipment Company, Oakland, Calif. - lowest quoted rates in Bay area	Rate/mo.
210 cu. ft. IR compressor	$ 240.00
Jack Hammers (IR) 2 for Moyling J. D. 55	80.00
Mine cars (2)	28.00
Misc. equipment - framing saw, welding equipment, repair parts, compressor fuel, etc.	60.00
No explosives required in Day tunnel	
Total	$ 408.00

6 mo

Purchases:

2000' of 2" pipe at 42 cents	840.00
2000' of 3/4" at 27 cents	540.00
4.8 tons 18 lb. rail at $210.00 per ton (underground and dump)	1,008.00
Hose - air and water	300.00
Misc. hand tools, wood drill, saws, hammers, square, chisels, framing axe, picks and shovels	400.00
Total	$3,088.00

Timber for one drift set (5 feet)

Name	Size	Length	Bd. Ft.
Mud sil	8x8	7')	
Posts (2)	8x8	9')	
Girts (2)	8x8	5')	246
Spiling cap	8x8	5')	
Cap	8x8	6')	
2nd Post (2)	6x8	7½'	60
Track Sill	4x8	4'	10
Spiling (10)	4x6	12'	240
Lagging (16)	3x12	5'	240
			796
plus 10% for cutting & blocks			80
			876

at $130.00/M = $113.88 for 5 ft. or $22.78/ft.
(timber prices by Sterling Lumber Co., Mountainview, Calif.)

Phase Two

Rentals	Rate/Mo.
210 cu. ft. IR gasoline compressor	$ 240.00
Air Drills (2) IR J. D. 55	80.00
Hoist (Golden Gate 40" 300 rpm 1000 ft. capacity of 3/4" cable, complete with 150 hp Allis-Chalmers 695 rpm slip ring motor reversible controls, resistance grids & switches)	400.00
Misc. equipment (pumps, framing saw, repair parts, welding equipment and gas)	200.00
Power	300.00
Total	$1,220.00

Purchases:

New and used equipment prices quoted H. T. Neal Machinery Company, San Francisco

Pipe for shaft 3/4" x 2"	500.00
Skip	400.00
Cable 3/4"	350.00
Air receivers & fittings	300.00
Misc. (hanging rods, spikes, electric light cables, expendable tools, lubricants, etc.	700.00
Total	$2,250.00

Timber for each 5' shaft set:

Name	No.	Size	Length	Bd. Ft.
Wall plate	2	8x8	12')	
End plate	2	8x8	6')	299
Posts	4	8x8	5')	
Spreader	1	6x8	5'	20
Lagging	36	2x12	5'	360
				689
plus 30% for odd cuts, guides & blocking				266
				955

955 @ $140.00 = $133.70 (better grade of lumber needed in shaft)

plus treating 22.00

$155.70 for 5' or $31.14/ft.

Explosives for shaft $3.40 per foot.

Labor and Supervision:

Phase one

(Geologist @ $7,000.00/year)

Opening drift:

One foreman	$ 500.00 /mo.
Four miners @ $1.50/hr. (O.A.B., California unemployment, Federal unemployment and industrial insurance $203.70/mo.)	2,055.72/mo.

with advance of 130 ft./mo. cost = $15.81/ft.

Phase two

Shaft sinking and exploratory drifting

(Geologist @$7,000/year)

Four shaft men @ $2.00/hr.	1,800.00/mo.
Two Hoist men @ $2.00/hr.	900.00/mo.
One Timber framer @ $1.75/hr.	400.00/mo.
One Foreman	500.00/mo.
(O.A.B.,California unemployment, Federal unemployment, industrial insurance $396.00/mo.	396.00/mo.
with advance of 104 ft./mo. = $38.42/ft.	
	$3,996.00/mo.

In estimating the rapidity with which this program could be completed, we believe that the surface drilling can be commenced within sixty days of the signing of the contract and the drilling on Projects A and B completed within six months, possibly four. The opening of the Day tunnel could be started immediately upon the signing of the contract and, with reasonably good luck, should be completed within six months. The diamond drilling at locality C and D can start with the completion of the reopening of the Day tunnel, six months from the signing of the contract and should be completed prior to the expiration of one year of the signing of the contract. Thus Phase one, totalling roughly $100,000 would be completed within twelve months at an average rate of expenditure of $25,000 per quarter. In the event that Phase one in the opinion of the Government is unsuccessful, Phase two would be abandoned. In the event that any single area in the opinion of the Government is promising, Phase two sinking and drifting would require an additional year or an average expenditure of $25,000 per quarter. These are estimates and cannot, of necessity, be exact due to the variables involved.

DESCRIPTION OF NEW ALMADEN QUICKSILVER PROPERTY

Following is a description of property in Santa Clara County, California; the boundaries of which property are shown on the plat marked Exhibit "A" attached hereto and made a part hereof, to wit:

PARCEL NUMBER ONE:

BEGINNING at a stake marked "Q1" set for the Southwesterly corner of a certain 138.50 acre tract conveyed by The Quicksilver Mining Company, a corporation, to W. S. Clayton, et al. by Deed dated November 21, 1912, and recorded November 23, 1912, in Volume 395 of Deeds, at page 197; running thence along a fence, South 83° East 12.12 chains to a stake marked "Q2" standing in a bend of a fence; thence leaving said fence and running North 83° 55' East 11.18 chains to a stake marked "Q3" on top of a spur to North; thence South 54° 50' East 36.03 chains to a stake marked "Q4" set for the most Southerly corner of that 138.50 acre tract above referred to, from which stake a white oak 3 inches in diameter marked B.T.Q.4 bears North 55° 30' West 83 links and a white oak 8 inches in diameter marked B.T.Q.4 bears South 80° 20' East 1.58 chains distant; thence South 53° 36' East 202.60 feet to a stake; thence Southeasterly parallel to and distant 993.40 feet Southwesterly at right angles from the Southwesterly line of the Almaden Road the following courses and distances:

South 48° 51' East 899.90 feet to a stake and
South 48° 35' East 1378.00 feet to a stake; thence
South 17° 18' East 390.97 feet to a stake; thence
South 6° East 299.98 feet to a stake; thence
South 26° 22' East 682.54 feet; thence
North 70° 08' East 681.80 feet to a stake which is distant
South 70° 08'

West 360 feet from a stake marked "G.23" standing in the Northeasterly line of the Almaden Road, being one of the corners of that certain 26.03 acre tract conveyed by Quicksilver Mining Company, to Elia Giorgia by Deed recorded October 25, 1910, in Volume 364 of Deeds, at page 298; thence South 19° 52' East 336.37 feet to a stake; thence South 83° 10' East 21.40 feet to the Northwest corner of Lot 42 of Block "A" of Almaden Manor, according to a map of same of record in the office of the County Recorder of the County of Santa Clara, State of California, in Volume "U" of Maps, at pages 46 and 47; thence Southerly and Southwesterly along the boundaries of said Almaden Manor, South 6° 50' West 300 feet; South 5° 16' West 99.70 feet; South 4° 33' East 200 feet; South 1° 30' West 99.70 feet;South 9° 51' West 99.30 feet; South 13° 38' West 89.30 feet; South 65° 49' West 99.80 feet; South 77° 29' West 101.30 feet; South 78° 39' West 100 feet; South 72° 25' West 97.40 feet; South 65° 08' West 100.00 feet; South 60° 29' West 308.60 feet; South 57° 11' West 408.60 feet; South 53° 56' West 152.70 feet;

South 44° 31' West 155.70 feet; South 34° 08' West 153.00 feet; South 04° 13' West 100.00 feet; South 26° 52' West 200.00 feet; South 24° 50' West 63.10 feet; South 37° 38' West 61.80 feet; South 46° 40' West 64.10 feet; South 45° 27' West 100.00 feet; South 46° 23' West 112.20 feet; South 40° 45' West 112.60 feet; South 41° 32' West 700.00 feet and South 48° 28' East 325.00 feet to an iron bar from which the Southwest corner of the South rail of a bridge bears South 46° 23' East 2.438 chains distant, said bar being set in the center line of the Almaden Road; thence leaving the boundaries of said Block "A", Almaden Manor, and continuing along the Westerly Boundary of Parcel 2, as described in that certain Deed from George H. Sexton to California Pacific Title Insurance Company, a corporation, recorded May 5, 1926, in Volume 240 of Official Records, at page 256, Records of Santa Clara County, the following courses and distances:

South 60° 31' West 10.79 chains to stake Marked P.1;
South 0° 58' East 9.786 chains to stake marked P.2;
South 8° 56' East 5.646 chains to stake marked P.3;
South 59° 45' West 3.216 chains to stake marked P.4;
South 80° 33' West 1.998 chains to a stake marked P.5;

thence South 78° 21' West 7.82 feet to the most Northerly corner of Lot 78 of Block "B" of Almaden Manor, according to a Map of same of record in the office of the Recorder of the County of Santa Clara, State of California, in Volume "V" of Maps, at pages 16 and 17; running thence along the same course and along the boundary line of said Block "B" of Almaden Manor, and being also the Westerly boundary line of Parcel 2 above referred to, South 78° 21' West 61.66 feet to astake marked P.6 from which a one foot leaning oak bears North 31° East 0.30 chains and a two foot oak bears South 86° West 0.23 chains; thence South 17° 42' West 1.358 chains to a stake P.7; thence South 40° 29' West 1.172 chains to a stake; P.8; from which a ten inch oak bears South 3° West 0.172 chains; thence South 61° 49' West 1.109 chains to a stake P.9; thence South 36° 36' West 1.90 chains to a stake P.10; thence South 7° 10' West 2.91 chains to stake P.11; thence South 4° 39' East 1.91 chains to stake P.12 from which a 18 inch leaning sycamore bears North 17° East 0.35 chains; thence South 5° 47' West 0.81 chains to a stake P.13, from which a 6 inch laurel bears South 42° 30' East 0.08 chains; thence South 3° 02' East 3.684 chains to a stake P.14; thence South 5° 21' West 2.526 chains to a stake P.15, from which a 1 foot oak bears North 26° West 0.162 chains; thence South 1° East 99.84 feet, which is the Northwesterly corner of lot 54 of Block "B" of Almaden Manor as said lot and block are delineated and so designated on that certain map entitled "Map of Block "B" of Almaden Manor, situated in the San Vicente Rancho, Santa Clara County, California, etc., and filed for record July 24, 1926 in Volume "V" of Maps, pages 16 and 17, Records of Santa Clara County, California; thence running the following courses and distances, to wit;

S. 48° 32' W., 1090.85 feet,
S. 12° 35' E., 389.14 feet,
S. 78° 33' W., 195.00 feet,
N. 76° 37' W., 830.00 feet,
S. 62° 23' W., 987.55 feet,
N. 34° 52' W., 530.99 feet,
S 23° 53' W., 440.00 feet,
S. 77° 43' W., 215.00 feet,
N. 18° 17' W., 424.00 feet,
S. 38° 01' W., 963.00 feet,
N. 86° 37' W., 680.00 feet,

S. 36° 45' W., 40.00 feet, which point is the common boundary of the Rancho de los Capitancillos and that certain piece or parcel of land containing 101.64 acres heretofore conveyed by the City of San Jose to James Alfred Nowland by deed dated January 4, 1867 and recorded in Volume "W" of Deeds, page 206, Records of Santa Clara County, California; thence North 60° West 515.12 feet to station at the junction of the Creek with a small branch of same; from this point the main Western branch of Alamitos Creek bears off North 60° West heading in the Sierra; thence leaving the Western branch of Alamitos Creek and meandering up the above-mentioned small branch of same North 30° West 4.56 chains to station; thence North 1° East 10.47 chains to station; thence North 40° 45' East 5.35 chains to station; thence North 13° West 5.09 chains to station; thence North 31° West 2.47 chains to station; thence North 11° 15' West 3.02 chains to station; thence North 19° West 7.05 chains to station; thence North 32° West 3.71 chains to station; thence North 35° 30' West 2.27 chains to station; thence North 64° West 3.88 chains to station at the mouth of a canyon, course North 30° East; thence North 71° West 4.56 chains to station; thence North 50° West 4.10 chains to station; thence North 31° 15' West 4.00 chains to the head of the branch or canyon, 6.80 chains to a post marked "C.C." in the center of a saddle in the ridge which connects the Sierra to the Southwest with the Cuchilla de la Mina to the Northeast, the said ridge also divides the heads of the Arroyo de los Alamitos and Capitancillos, 8.50 chains to the head of canyon and down same, 15.41 chains to station; thence North 48° West at 6.00 chains crosses a stream 10 links wide, courses North 15 chains to the mouth of a ravine 20 links wide, course South 20° East at 40.00 chains recrosses above mentioned stream or branch of Capitancillos Creek 10 links wide, course North 55° West 45.00 chains to the mouth of a ravine, 20 links wide bearing North 65° East and crosses stream 15 links wide, course Northwest 56.50 chains to a ravine bearing North 65° East at 58.50 chains recrosses same stream 15 links wide course North 55° West at 57.50 chains crosses stream 15 links wide, course Northwest at 74.00 chains recrosses same stream 15 links wide, course North 55° West 90.50 chains to an oak tree 16 inches in diameter marked "C.C." station; thence North 83° 30' West 1,068.79 feet, thence leaving said dividing line and running the following courses and distances, to wit:

N. 45° 16' W.,	91.29 feet,
N. 2° 37' W.,	147.85 feet,
N. 16° 04' E.,	74.94 feet,
N. 4° 19' E.,	121.17 feet,
N. 22° 27' W.,	40.72 feet,
N. 21° 18' E.,	79.40 feet,
N. 52° 15' W.,	33.77 feet,
N. 23° 55' W.,	149.83 feet,
N. 51° 53' W.,	139.96 feet,
N. 19° 16' W.,	109.58 feet,
N. 15° 10' W.,	155.85 feet,
N. 11° 32' E.,	296.53 feet,
N. 46° 53' E.,	143.95 feet,
N. 72° 56' E.,	80.00 feet,
N. 42° 16' W.,	151.55 feet,
N. 16° 04' W.,	169.45 feet,
N. 25° 57' W.,	138.74 feet,

N. 19° 09' E.,	126.14	feet,
N. 51° 14' W.,	136.54	feet,
N. 12° 57' W.,	170.99	feet,
N. 21° 57' W.,	162.30	feet,
N. 12° 56' E.,	137.00	feet,
N. 14° 02' W.,	143.60	feet,
N. 32° 15' W.,	214.18	feet,
N. 2° 14' E.,	160.65	feet,
N. 1° 12' E.,	110.52	feet,
N. 48° 36' E.,	126.40	feet,
N. 51° 50' E.,	147.30	feet,
N. 42° 20' E.,	171.72	feet,
N. 36° 17' E.,	133.59	feet,
N. 17° 56' E.,	90.00	feet,
N. 43° 08' E.,	69.10	feet,
N. 87° 38' E.,	43.40	feet,
N. 50° 15' W.,	96.40	feet,
N. 50° 30' W.,	88.15	feet,
N. 32° 00' W.,	65.15	feet,
N. 18° 12' E.,	55.10	feet,
N. 42° 33' E.,	71.45	feet,
N. 58° 39' E.,	60.70	feet,
N. 75° 19' E.,	66.10	feet,
N. 32° 17' W.,	62.65	feet,
N. 4° 39' E.,	85.55	feet,
N. 81° 52' W.,	39.98	feet,
N. 34° 09' W.,	53.40	feet,
S. 64° 58' W.,	168.87	feet,
N. 40° 04' W.,	61.50	feet,
N. 85° 53' W.,	59.76	feet,
N. 47° 53' W.,	115.68	feet,
N. 3° 13' W.,	62.40	feet,
N. 24° 55' E.,	112.90	feet,
S. 73° 21' W.,	85.96	feet,
S. 73° 27' W.,	133.19	feet,
N. 0° 09' E.,	122.20	feet,
N. 21° 37' E.,	71.70	feet,
N. 27° 45' E.,	91.00	feet,
S. 69° 24' W.,	162.56	feet,
S. 83° 47' W.,	73.07	feet,
N. 47° 23' W.,	76.20	feet,
N. 12° 55' E.,	87.75	feet,
N. 13° 44' E.,	162.00	feet,
S. 42° 59' W.,	111.32	feet,
S. 77° 27' W.,	108.05	feet,
N. 87° 24' W.,	59.36	feet,
N. 27° 58' W.,	76.50	feet,
N. 4° 15' W.,	127.40	feet,

S. 60° 44' W., 86.55 feet,
N. 78° 30' W., 43.85 feet,
N. 38° 57' W., 37.75 feet,
N. 85° 40' W., 89.29 feet,
N. 35° 05' W., 123.60 feet,
N. 27° 53' W., 162.43 feet,
N. 10° 26' E., 101.95 feet,
N. 72° 00' W., 60.41 feet,
N. 71° 14' W., 134.30 feet,
N. 56° 07' W., 236.79 feet,
N. 43° 16' W., 185.55 feet,
S. 85° 09' W., 56.20 feet,
N. 67° 41' W., 105.30 feet,
N. 48° 36' W., 126.11 feet,
N. 36° 20' W., 81.28 feet,
N. 66° 59' W., 325.00 feet,
S. 47° 56' W., 226.50 feet,
N. 77° 24' W., 167.17 feet,
N. 54° 27' W., 400.69 feet, and
S. 45° 32' W., 192.31 feet, at which point the line again joins the boundary line between the Rancho de Los Capitancillos and that certain piece or parcel of land heretofore conveyed by the Estate of Franck E. Wyman to A. B. Wyman by deed dated September 19, 1931 and recorded in Volume 588 of Official Records, page 23, Records of Santa Clara County, California and running thence along said dividing line the following courses and distances, to wit: North 41° West 11.44 chains to station; thence South 76° 15' West 5.50 chains to stations from which a large conical rock bears South 12° 45' East distant 20.00 chains; thence North 66° West 8.88 chains to a station; thence South 89° 45' West 3.00 chains to station; thence North 58° 45' West 2.50 chains to station; thence North 35° 45' West 5.00 chains to station; thence South 82° 15' West 6.50 chains to station; thence North 71° 45' West 8.50 chains to station; thence South 88° 45' West 2.50 chains to station; thence North 67° West 17.32 chains to station; thence North 2° 30' West 5.50 chains to station; thence North 37° 30' West 5.00 chains to station; thence South 84° 45' West 8.04 chains to station; thence North 45° East at 20 links leaves Capitancillos Creek and along the boundary line between part of the Los Capitancillos Rancho confirmed to Charles Fossatt and that part of the same Rancho confirmed to the Guadalupe Mining Company, 1 chains to a round post 6 inches in diameter marked C.C.C.F. from which an oak tree 4 feet in diameter marked B.T.C.C. bears North 61° 30' West distant 2.52 chains and an oak tree 3 feet in diameter bears North 15° East distant 2.52 chains at 2.50 chains crosses a road course East and West, at 3.50 chains leaves Canada and enters hills, 56.00 chains to a post marked C.C. 18 station; thence East 29.00 chains to foot of hills, at 31.00 chains crosses an Arroyo 10 links wide course North by East at 34.00 chains enters hills, 41.49 chains to a post marked C.C. 19 station; thence South 15.08 chains to a post marked C.C. 20 station; thence East 20.00 chains to a post marked C.C. 21 station, from which the corner of Sections 20, 21, and 28 and 29, Township 8 South, Range 1 East, bears North distant 20.00 chains; thence South at 4.50 chains to foot of ridge 11.50 chains to top of same, course East, at 15.50 chains to foot of ridge, at 15.80 chains crosses a ravine 5 links wide, course Northeast at 16.50 chains enters hills, 20 chains to a post marked C.C. 22 station; thence East at 9.00 chains foot of hills, at 9.10

chains crosses a ravine 10 links wide course Northeast, at 9.25 chains ascends point of ridge, at 12.50 chains to top of ridge, 20 chains to foot of same, at 21.50 chains crosses a ravine 10 links wide course North by West, at 22.00 chains ascends ridge, 30.00 chains to top of ridge and along foot hills 40.00 chains to a post marked C.C. 23 station; thence South 10.00 chains ascends ridge, 15.00 chains to top of same, from this point the large oak tree known as the "Encino" bears South 48° 45' West, at 17.00 chains foot of ridge, at 17.50 chains ascends ridge, 20.00 chains to a post marked C.C. 24 station; thence East 6.50 chains to top of ridge and descends at 15.00 chains to foot of ridge, at 16.50 chains crosses a ravine 15 links wide course Northwest, at 17.00 chains ascends the Northwest slope of ridge, 20.00 chains to a post marked C.C. 25; thence South descending a ridge at 18.50 chains descends on East side of ridge 20.00 chains to a post marked C.C. 26 station; thence East at 16.00 chains to foot of ridge at 16.50 chains crosses a ravine 15 links wide, courses Northwest, at 17.00 chains ascends ridge 20.00 chains to a post marked "C.C. 27" station; thence along the Western side of the ridge South 20.00 chains to a post marked "C.C.28" station; from which an oak tree 2 feet in diameter bears North 18° 30' East distant 46 links and an oak tree 2-1/2 feet in diameter bears South 35° West distant 13 links; thence East 6.00 chains to top of ridge and descends, at 23.00 chains; crosses a ravine 15 links wide, course North, at 23.50 chains ascends a ridge to top of same at 32.00 chains and descends to 40.00 chains to a post marked "C.C.29" station on the Eastern slope of ridge, from which a live oak tree 3 feet in diameter bears South 66° East distant 86 links; thence South at 8.75 chains crosses a ravine 15 links wide, course North by East, 20.00 chains to a post marked "C.C.30" station on the Eastern slope of ridge, from which a live oak tree 10 inches in diameter bears West distant 12 links; thence East 6.00 chains to top of ridge and descends to 16.50 chains to foot of ridge, at 17.00 chains crosses a ravine 40 links wide, course North by West, at 17.50 chains ascends ridge to top of same at 22.00 chains and descends to 26.00 chains to foot of ridge, at 26.50 chains crosses a ravine 30 links wide, course North, at 27.00 chains ascends ridge to top of same at 30.00 chains and descends to 40.00 chains to a post marked "C.C.31" station, from which an oak tree 30 inches in diameter bears North 23° West distant 43 links, which station C.C. 31 stands in the West line of the Capitancillos Rancho, distant thereon South 53.22 chains from the intersection of said line of said Ranch with the Southwesterly line of the Almaden Road; running thence on said line of said Rancho, North 13.00 chains to a stake marked "Q1", the point of beginning.

BEING a portion of Lot 38 of the Rancho Los Capitancillos known as the Charles Fossatt Claim, and a portion of the Rancho San Vicente, 3730.00 acres, more or less.

PARCEL NUMBER TWO:

THE SOUTHEAST 1/4 and the Southeast 1/4 of the Southwest 1/4 of Section 6, Township 9 South, Range 1 East, MD.M.

CONTAINING 200 acres of land, more or less.

PARCEL NUMBER THREE:

LOTS 2, and 4, and the Northwest 1/4 of the Southwest 1/4 of Section 5, Township 9 South, Range 1 East, M.D.M.

CONTAINING 123.77 acres of land, more or less.

PARCEL NUMBER FOUR:

THE NORTHEAST 1/4 of Section 8, Township 9 South, Range 1 East, M.D.M.

CONTAINING 160 acres of land, more or less.

PARCEL NUMBER FIVE:

THE NORTHEAST 1/4 of the Northwest 1/4 and the North 1/2 of the Northeast 1/4 of Section 7, Township 9 South, Range 1 East.

CONTAINING 120 acres of land, more or less.

PARCEL NUMBER SIX:

Lot 1, Section 10, and Lot 4 and Southeast 1/4 of Section 9, Township 9 South, Range 1 East, M.D.M.

CONTAINING 213.74 acres of land, more or less.

PARCEL NUMBER SEVEN:

BEGINNING at a point on the Easterly line of Hahn's land (now or formerly) distant Northerly 300 feet from a tree marked "L" standing in the Capitancillos Creek; thence Southwesterly on a line parallel with the general course of said Creek to the Southwesterly line of said lands; thence Southeasterly, crossing said creek and along said Southwesterly line to the end thereof, which is the apex of a triangle; thence in a straight line through the tree above mentioned to the place of beginning, forming a triangular piece of land and containing 10 acres of land, more or less.

PARCEL NUMBER EIGHT:

BEGINNING at the Southwest corner of land heretofore sold by the authorities of the City of San Jose to Francisco Mendibles and thence running Northerly along the Westerly line of lands so sold to Mendibles to the line of lands sold by said City to L. Billou; thence Southwesterly along the line of said land sold to said Billou by said City to an alder tree marked "L"; thence due South along the line of land heretofore sold by said City to D. H. Hahn to the end of said line; thence along the

Southwestern line of the Pueblo lands South 58° 24' East 28 chains to a stake; (which bears North 58° 24' West 13 chains from post "P.L.2" on Section line U. S. Survey) thence North 47-1/2° East 27 chains to the point of beginning.

CONTAINING 160 acres of land, more or less.

PARCEL NUMBER NINE:

BEGINNING at an iron pipe marked "A-2" standing in the most Northerly corner of Lot 1 of the A. H. Marten, W. S. Clayton, J. R. Chace, and E. Shillingsburg Subdivision, as recorded in Book "N" of Maps, at page 19, Records of Santa Clara County, California; said point of beginning being in the Southeast line of the Uvas or McKean Road; and running thence from said point of beginning and along the Southeast line of the Uvas or McKean Road, North 43° 00' East 38.25 feet to an iron pipe; thence crossing the Arroyo de los Alamitos, North 70° 43' East 243.6 feet to an iron pipe in the turn of the Uvas or McKean Road; thence along the Southwest line of the Uvas or McKean Road, South 52° 43' East 97.3 feet to an iron pipe; thence leaving the Uvas or McKean Road and crossing the Arroyo de los Alamitos South 43° 00' West 282.0 feet to an iron pipe in the Northeast line of Lot 1 of the "A. H. Marten, W. S. Clayton, J. R. Chace and E. Shillingsburg Subdivision"; thence along the Northeast line of said last named Subdivision North 42° 00' West 210.9 feet to the place of beginning.

CONTAINING 1,00 acres of land, more or less, being situated in the San Vicente Rancho, Santa Clara County, California.

PARCEL NUMBER TEN:

BEGINNING at an iron pipe in the Northeast line of Lot 1 of the "A. H. Marten, W. S. Clayton, J. R. Chace and E. Shillingsburg Subdivision", as recorded in Book "N" of Maps, at page 19, Records of Santa Clara County, California, said point of beginning being South 42° 00' East 210.9 feet from an iron pipe in the Southeast line of the Uvas or McKean Road, at the most Northerly corner of said Lot 1; thence running along the Northeast line of Lots 1 and 2, of said A. H. Marten, W. S. Clayton, J. R. Chase and E. Shillingsburg Subdivision, South 42° 00' East 166.9 feet to an iron pipe marked "A-3"; thence along the Northeast line of Lots 2 and 3 of said last named Subdivision South 49° 32' East 490.02 feet to an iron pipe Marked "A-4" thence along the Northeast line of Lots 3 and 4, of said last named Subdivision, South 69° 10' East 530.5 feet to an iron pipe marked "A-5" from which an oak tree 18 inches in diameter bears North 61° 35' East 58.5 feet and an oak tree 18 inches in diameter bears North 84° 10' East 59.3 feet; thence along the Northeast line of said Lot 4, South 23° 03' East 380.5 feet to an iron pipe marked "A-6" standing in the most Easterly corner of said Lot 4; thence crossing the Arroyo de los Alamitos and along the Southeast line of Lot 4 produced, North 56° 55' East 201.51 feet to an iron

pipe marked "A-16" in the Southwest line of Lot 5 of the A. H. Marten, W. S. Clayton, J. R. Chace and E. Shillingsburg Subdivision; thence along the Southwest line of said Lot 5, North 18° 32' West 178.4 feet to an iron pipe marked "A-17"; from which an oak tree 3 feet in diameter bears North 10° 00' West 57.4 feet; thence continuing along the Southwest line of said Lot 5, North 34° 15' West 489.6 feet to a 2" x 4" stake marked "WP" in the Southwest line of the Uvas or McKean Road; thence along the Southwest line of the Uvas or McKean Road, North 77° 45' West 161.45 feet to an iron pipe; thence continuing along the Southwest line of the Uvas or McKean Road, North 52° 43' West 767.45 feet to an iron pipe; thence leaving the Southwest line of the Uvas or McKean Road and crossing the Arroyo de Los Alamitos, South 43° 00' West 282.0 feet to the place of beginning.

CONTAINING 9.516 acres of land, more or less, being situated in the San Vicente Rancho, Santa Clara County, California.

WATER RIGHTS, EASEMENTS, AND RIGHTS OF WAY

Any and all water rights, easements, and rights of way of whatsoever kind or nature appurtenant to the foregoing described property.

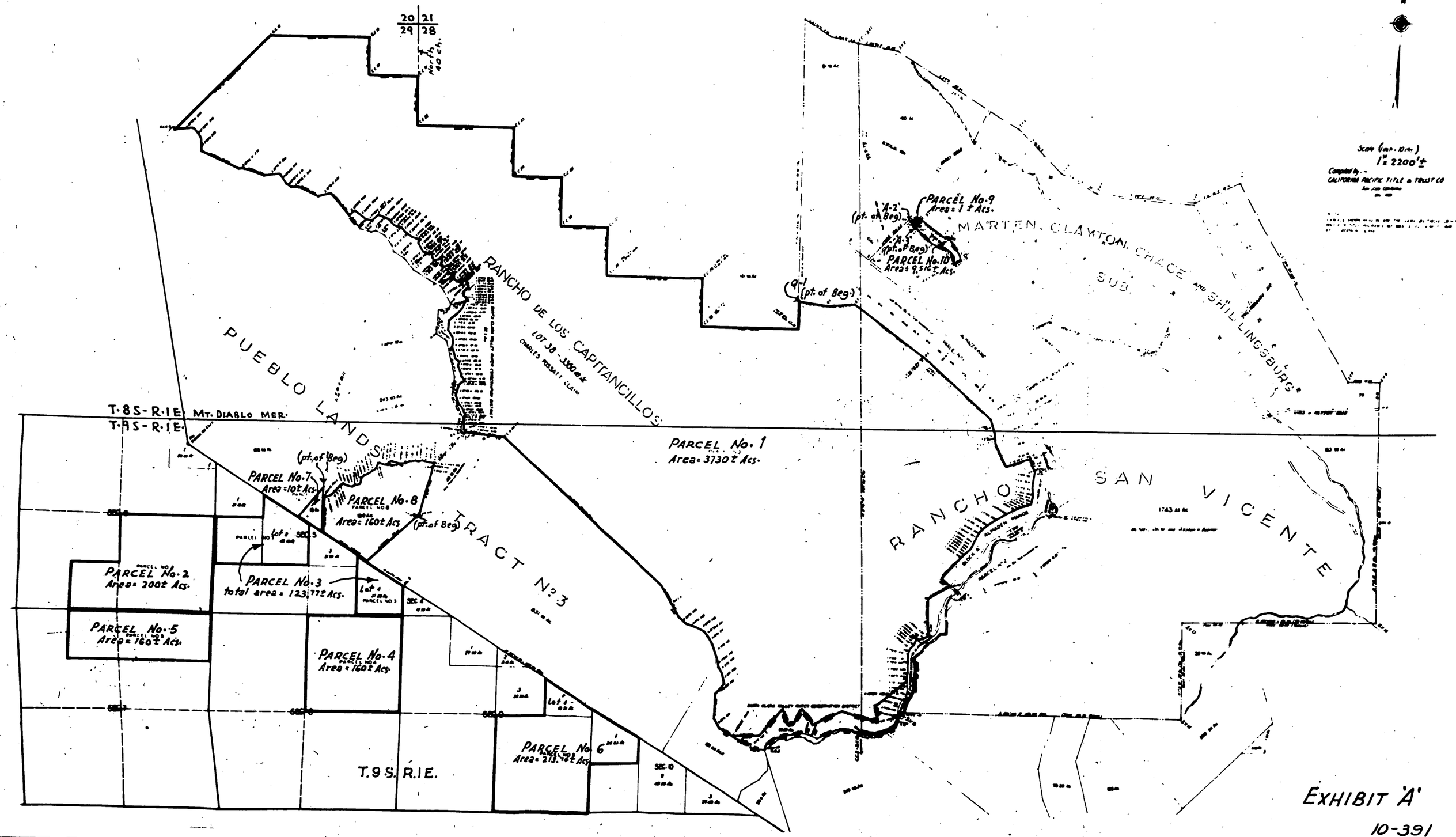
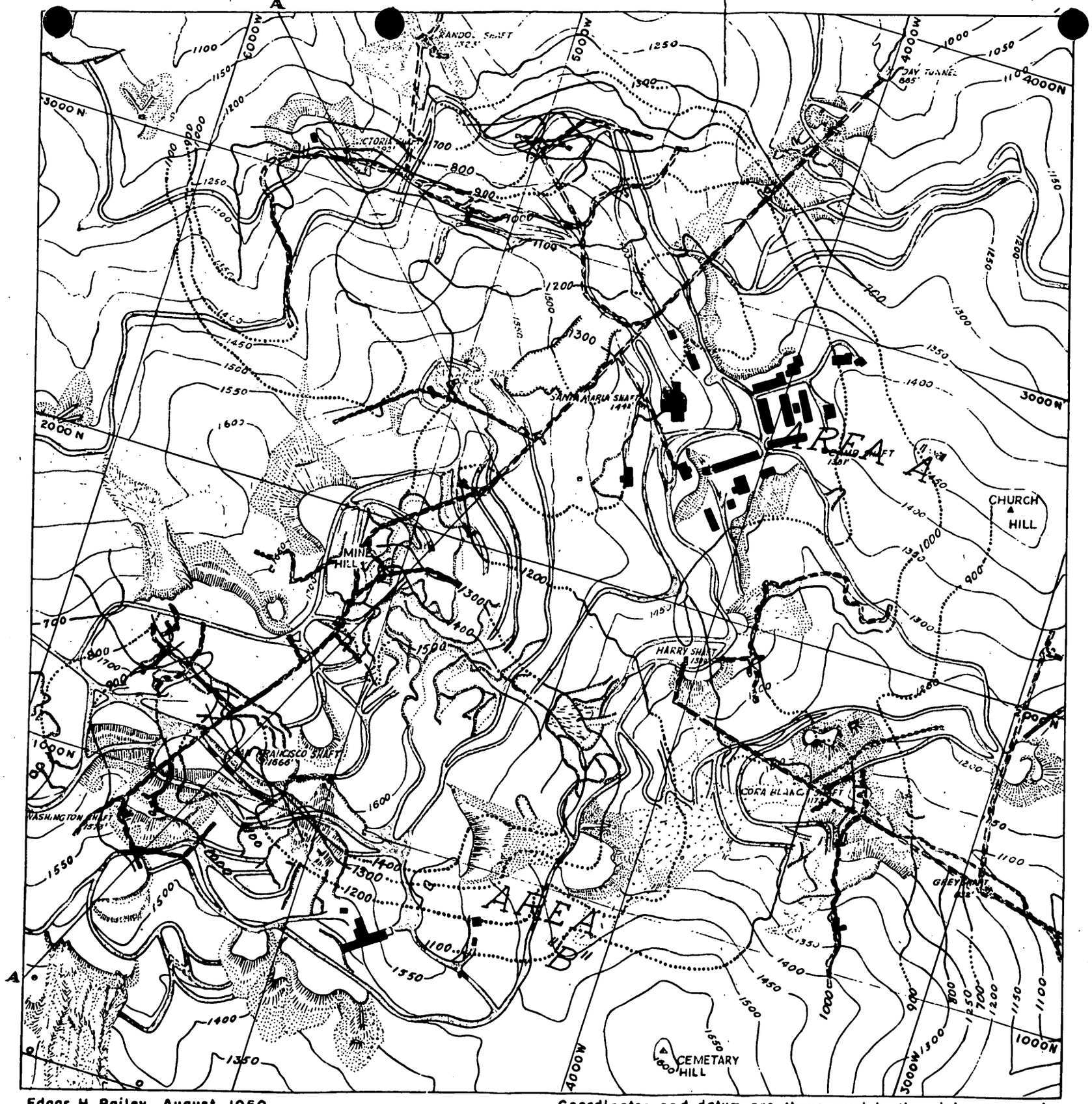


EXHIBIT 'A'

10-391



Edgar H. Bailey, August 1950

Coordinates and datum are those used by the mining companies

0 500 1000 FEET

Contour interval 50 feet

EXPLANATION

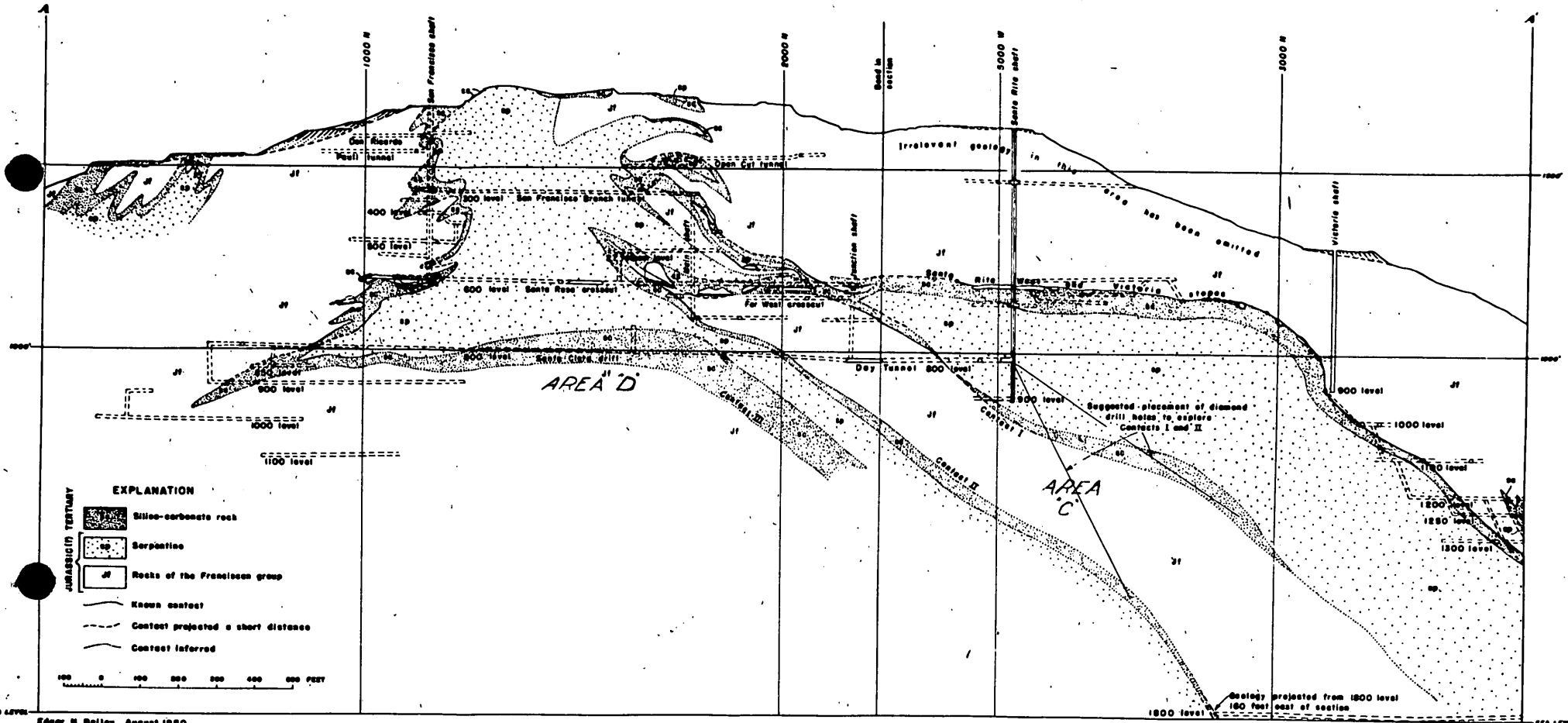
Roads

Underground workings on the 800 level.

Contours on the upper surface of the upper serpentine sill. Solid where known; dotted where projected.

N

Figure 1. TOPOGRAPHIC MAP OF A PART OF THE NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA



Edgar H. Bailey, August 1950

Coordinates and datum are those used by mining companies.

Figure 2. CROSS SECTION THROUGH NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA

MF-200
(April 1951)

1165X

Docket No. DMA

Commodity

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

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 _____ County of _____ described as follows: [3] _____

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 _____ days from the date of this contract shall commence work on a project of exploration for [5] _____; 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] _____ 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 property.* All facilities, buildings, fixtures, equipment, or 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 75 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 $_____, which is _____ percent of the agreed estimated total cost of this project, $_____.

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~~ six the day and year first above written.

Cordero Mining Co.
(Operator)

By J. Eldon Gilbert

THE UNITED STATES OF AMERICA

By _____

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

EXHIBIT "A"

We propose in this project to do the diamond drilling recommended by U. S. Geological Survey in their recent report on the New Almaden Quicksilver Mine. Photostatic copies of this report, including maps, are attached to the application. The U.S.G.S. has recommended diamond drilling from two areas on the surface. We suggest that each area be tested by six diamond drill holes which may vary in length from 300 to 700 feet. The U.S.G.S. report estimates 200 to 600 feet but we are allowing a 100 foot safety factor due to the complexity of the geology ordinarily occurring in quicksilver deposits. One group of these holes averages 500 feet and the other group averages 400 feet. There are also two areas underground recommended by the Survey to be explored by drilling. We feel that six holes averaging 400 feet and five holes averaging 350 feet will probably prove or disprove mercury mineralization in these areas. Quotations by commercial drillers on a contract basis, including all casing which may be required, has been quoted at $6.50 per foot for BX hole. We realize that BX is a size larger than would normally be used but our experience of over 15 years of diamond drilling mercury deposits which are usually badly fractured would indicate that core recovery with BX or AX would probably be so low as to make the results difficult if not impossible to evaluate.

The locations on the surface of the diamond drill holes recommended by the U.S.G.S. should be located with the approval of Mr. Bailey of the Survey who wrote the report, in co-operation with our own geologist and we propose that they be located at points mutually agreeable to both Mr. Bailey and ourselves. Additional holes after the first will also be at locations mutually agreeable to our own geologist and Mr. Bailey. Since the location of each hole will depend upon the geological information obtained from the previous hole, it is manifestly impractical to attempt to locate all in advance.

To gain access to the underground for drilling areas C and D, it will be necessary to reopen the old Day tunnel which is now caved. The caved area is indicated as 600 feet but it may be that parts of the tunnel now inaccessible may still be open. The ground in this area is very bad, the tunnel has been reopened several times and the expense is most difficult to estimate. The mine superintendent who was in charge of the opening the last time it was done is quite definite in his opinion that we will be very fortunate if we do not have to spile the whole 600 feet. We must, of necessity, include this in the estimate.

Should the drilling program give estimates of appreciable mineralization in these areas, it will be necessary to sink a shaft and drift underground to determine whether the amounts are commercial. Our experience has indicated to us that diamond drilling must be followed by actual drifting as in itself any estimate as to amount or grade can be and usually is in very considerable error. In the event that areas A or B show mineralization, it is probable that it would be cheaper to sink from the surface to explore them more thoroughly. While it may be possible to extend underground work from the nearest of the abandoned workings, the expense of reopening drifts not used since 1890 would probably be in considerable excess of the cost of sinking a new exploratory shaft. On the other hand, if drilling discovered ore in either the C or D areas, it might be possible since the Day tunnel would then be opened, to reach the areas involved from the Day level on the first level below the Day. Although this has not been unwatered for a good many years, the possibility of reaching these areas from underground would be given the utmost consideration before sinking to explore these areas.

The second phase of exploration would cover the sinking and drifting in the areas the drilling had indicated were mineralized. If none of the area showed mineralization, the second phase would be abandoned. If only one area was favorable, only one shaft would probably be required. If all four areas were favorable,

the work required would be considerably in excess of the estimates. We are assuming for the base of this proposal that one would be favorable and the other three unfavorable. The probabilities are that we would require a shaft of about 600 feet and probably 900 feet of underground drifting.

A summary of costs of both phases of exploration follows:

Phase one

Drill localities A and B	
Reopen Bay tunnel and drill locations C and D	
Opening 600 feet of caved tunnel at $41.59/ft. (Timber $22.78, Labor $15.81, Overhead $3.00 - no explosives)	$ 24,954.00
Rental on equipment $408.00/mo. for 6 mo. (Exhibit C)	2,448.00
Purchase equipment & utilities (Exhibit C)	3,088.00
Geologist one year at $7000.00	7,000.00
9,550 ft. of drilling at 6.50/ft.	62,075.00
Misc. & Field Office Expense	1,547.00
Total	$ 101,112.00

Phase two

To sink from surface and drift at A and B or to drift from Bay tunnel or the next level below to C and D	
Equipment purchase	$ 2,250.00
Equipment rental 1,220.00/mo. for 12 mo. (Exhibit C)	14,640.00
Utilities (Exhibit B)	8,500.00
Sink 600 ft. shaft at $76.46/ft. (Exhibit D) (Timber 31.14, Labor 38.42, Explosives 3.40, Misc. & supervision 5.50)	47,076.00
900 ft. exploratory drifts untimbered at 22.50 (including explosives)	20,250.00
Geologist at $7,000.00	7,000.00
Total	$ 99,716.00

EXHIBIT "B"

For the first phase of the exploration, no new building would need to be erected. In the second phase, facilities for sinking a shaft and driving underground tunnels would be needed:

Headframe	$4,000.00
Hoisthouse	3,000.00
Compressor house	1,500.00
	$8,500.00

EXHIBIT "C"

Phase one

Rentals (Bay Cities Equipment Company, Oakland, Calif. - lowest quoted rates in Bay area)

210 cu. ft. IR compressor	$ 240.00
Jack hammers (IR) 2 for Moyling J.D. 55	80.00
Mine cars (2)	28.00
Misc. equipment - framing saw, welding equipment, repair parts, compressor fuel, etc.	60.00
No explosives required in Day tunnel	
Total	$ 408.00

Purchases

2000' of 2" pipe at 42 cents	840.00
2000' of 3/4" at 27 cents	540.00
4.8 tons 18 lb. rail at $210.00 per ton (underground and dump)	1,008.00
Hose - air and water	300.00
Misc. hand tools, wood drill, saws, hammers, square, chisels, framing axe, picks and shovels	400.00
Total	$ 3,088.00

Timber for one drift set (5 feet)

Name	Size	Length	Bd. ft.
Mud sill	8x8	7'	
Posts (2)	8x8	9'	
Girts (2)	8x8	5'	246
Spiling cap	8x8	5'	
Cap	8x8	6'	
2nd post (2)	6x8	7½'	60
Track sill	4x8	4'	10
Spiling (10)	4x6	12'	240

Name	Size	Length	Bd. Ft.
Lagging (16)	3x12	5'	240
			796
plus 10% for cutting & blocks			80
			876

at $130.00/M = $113.88 for 5 ft. or $22.78/ft.
(timber prices by Sterling Lumber Co. Mountainview, Calif.)

Phase two

Rentals	**Rate/Mo.**
210 cu. ft. IR gasoline compressor	$ 240.00
Air drills (2) IR J.D. 55	80.00
Hoist (Golden Gate 40" 300 rpm 1000 ft. capacity of 3/4" cable, complete with 150 hp Allis Chalmers 695 rpm slip ring motor reversible controls, resistance grids & switches)	400.00
Misc. equipment (pumps, freezing saw, repair parts, welding equipment and gas	200.00
Power	300.00
Total	$ 1,220.00

Purchases

New and used equipment prices quoted A. T. Neal Machinery Company, San Francisco

Pipe for shaft 3/4" x 2"	500.00
Skip	400.00
Cable 3/4"	350.00
Air receivers & fittings	300.00
Misc. (hanging rods, spikes, electric light cables, expendable tools, lubricants, etc.)	700.00
Total	$ 2,250.00

EXHIBIT "C" (contd)

Timber for each 5' shaft set:

Name	No.	Size	Length	Bd. Ft.
Wall plate	2	8x8	12'	
End plate	2	8x8	6'	299
Posts	4	8x8	5'	
Sprender	1	6x8	5'	20
Lagging	36	2x12	5'	360
				689
plus 30% for odd cuts, guides & blocking				266
				955

955 @ $140.00 = $133.70 (better grade of lumber needed in shaft)

plus treating 22.00

$155.70 for 5' or $31.14/ft.

Explosives for shaft $3.40 per foot.

EXHIBIT "D"

Phase one

(Geologist @ $7,000.00/year)

Opening drift:

One foreman	$ 500.00/mo.
Four miners @ $1.50/hr. (O.A.B., California unemployment, Federal unemployment and industrial insurance $203.70/mo.)	2,055.72/mo.

with advance of 130 ft./mo. cost = $15.81/ft.

Phase two

Shaft sinking and exploratory drifting

(Geologist @ $7,000.00/year)

Four shaft men @ $2.00/hr.	1,800.00/mo.
Two Hoist men @ $2.00/hr.	900.00/mo.
One Timber freaser @ $1.75/hr.	400.00/mo.
One Foreman	500.00/mo.
(O.A.B. Calif. unemployment, Federal unemployment, industrial insurance $396.00/mo.	396.00/mo.
with advance of 104 ft./mo. = $38.42/ft.	
	$ 3,996.00/mo.

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In estimating the rapidity with which this program could be completed, we believe that the surface drilling can be commenced within sixty days of the signing of the contract and the drilling on Projects A and B completed within six months, possibly four. The opening of the Day tunnel could be started immediately upon the signing of the contract and, with reasonably good luck, should be completed within six months. The diamond drilling at locality C and D can start with the completion of the reopening of the Day tunnel, six months from the signing of the contract and should be completed prior to the expiration of one year of the signing of the contract. Thus Phase one, totalling roughly $100,000 would be completed within twelve months at an average rate of expenditure of $25,000 per quarter. In the event that Phase one is unsuccessful, Phase two would be abandoned. In the event that any single area is promising, Phase two sinking and drifting would require an additional year or an average expenditure of $25,000 per quarter. These are estimates and cannot, of necessity, be exact due to the variables involved.

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 Santa Clara, State of California, described in a certain Exploration Project Contract dated July 18, 1951, between CORDERO MINING COMPANY, a Nevada corporation, with offices at 57 Post Street, San Francisco, California, and 1608 Walnut Street, Philadelphia, Pennsylvania, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 18, 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 18th day of July, 1951

Eric Hyde Lord Sexton
Richard Hyde Lord Sexton

U. S. GOVERNMENT PRINTING OFFICE 940768

MINING LEASE AND OPTION

THIS LEASE AND OPTION entered into as of this day of , 1951, regardless of the actual times of signing and acknowledgment, between RICHARD H. L. SEXTON and JOAN F. M. SEXTON, his wife, and ERIC H. L. SEXTON and BERYL M. D. SEXTON, his wife, hereinafter called the lessors, and CORDERO MINING COMPANY, a corporation, hereinafter called the lessee;

W I T N E S S E T H:

Article 1. Description of the Property. The lessors, for and in consideration of the sum of One Dollar ($1.00) to each of them in hand paid by the lessee, the receipt of which is hereby acknowledged, and for and in consideration of the royalties to be paid by the lessee and of the covenants and agreements of the lessee hereinafter set forth, do hereby lease, let and demise unto the lessee all of their right, title and interest in and to the following described property in Santa Clara County, California; the boundaries of which property are shown on the plat marked Exhibit "A" attached hereto and made a part hereof, to wit:

PARCEL NUMBER ONE:

BEGINNING at a stake marked "Q1" set for the Southwesterly corner of a certain 138.50 acre tract conveyed by The Quicksilver Mining Company, a corporation, to W. S. Clayton, et al. by Deed dated November 21, 1912, and recorded November 23, 1912, in Volume 395 of Deeds, at page 197; running thence along a fence, South 83° East 12.12 chains to a stake marked "Q2" standing in a bend of a fence; thence leaving said fence and running North 83° 55' East 11.18 chains to a stake marked "Q3" on top of a spur to North; thence South 54° 50' East 36.03 chains to a stake marked "Q4" set for the most Southerly corner of that 138.50 acre tract above referred to, from which stake a white oak 3 inches in diameter marked B.T.Q.4 bears North 55° 30'

West 83 links and a white oak 8 inches in diameter marked B.T.Q.4 bears South 80° 20' East 1.58 chains distant; thence South 53° 36' East 202.60 feet to a stake; thence Southeasterly parallel to and distant 993.40 feet Southwesterly at right angles from the Southwesterly line of the Almaden Road the following courses and distances:

South 48° 51' East 899.90 feet to a stake and
South 48° 35' East 1378.00 feet to a stake; thence
South 17° 18' East 390.97 feet to a stake; thence
South 6° East 299.98 feet to a stake; thence
South 26° 22' East 682.54 feet; thence
North 70° 08' East 681.80 feet to a stake which is distant
South 70° 08'

West 360 feet from a stake marked "Q.23" standing in the Northeasterly line of the Almaden Road, being one of the corners of that certain 26.03 acre tract conveyed by Quicksilver Mining Company, to Elia Giorgia by Deed recorded October 25, 1910, in Volume 364 of Deeds, at page 298; thence South 19° 52' East 336.37 feet to a stake; thence South 83° 10' East 21.40 feet to the Northwest corner of Lot 42 of Block "A" of Almaden Manor, according to a map of same of record in the office of the County Recorder of the County of Santa Clara, State of California, in Volume "U" of Maps, at pages 46 and 47; thence Southerly and Southwesterly along the boundaries of said Almaden Manor, South 6° 50' West 300 feet; South 5° 16' West 99.70 feet; South 4° 33' East 200 feet; South 1° 30' West 99.70 feet; South 9° 51' West 99.30 feet; South 13° 38' West 89.30 feet; South 65° 49' West 99.80 feet; South 77° 29' West 101.30 feet; South 78° 39' West 100 feet; South 72° 25' West 97.40 feet; South 65° 08' West 100.00 feet; South 60° 29' West 308.60 feet; South 57° 11' West 408.60 feet; South 53° 56' West 152.70 feet; South 44° 31' West 155.70 feet; South 34° 08' West 153.00 feet; South 04° 13' West 100.00 feet; South 26° 52' West 200.00 feet; South 24° 50' West 63.10 feet; South 37° 38' West 61.80 feet; South 46° 40' West 64.10 feet; South 45° 27' West 100.00 feet; South 46° 23' West 112.20 feet; South 40° 45' West 112.60 feet; South 41° 32' West 700.00 feet and South 48° 28' East 325.00 feet to an iron bar from which the Southwest corner of the South rail of a bridge bears South 46° 23' East 2.438 chains distant, said bar being set in the center line of the Almaden Road; thence leaving the boundaries of said Block "A", Almaden Manor, and continuing along the Westerly boundary of Parcel 2, as described in that certain Deed from George H. Sexton to California Pacific Title Insurance Company, a corporation, recorded May 5, 1926, in Volume 240 of Official Records, at page 256, Records of Santa Clara County, the following courses and distances:

South 60° 31' West 10.79 chains to stake Marked P.1;
South 09 58' East 9.786 chains to stake marked P.2;
South 8° 56' East 5.646 chains to stake marked P.3;
South 59° 45' West 3.216 chains to stake marked P.4;
South 80° 33' West 1.998 chains to a stake marked P.5;

thence South 78° 21' West 7.82 feet to the most Northerly corner of Lot 78 of Block "B" of Almaden Manor, according to a Map of same of record in the office of the Recorder of the County of Santa Clara, State of California, in Volume "V" of Maps, at pages 16 and 17; running thence along the same course and along the boundary line of said Block "B" of Almaden Manor, and being also the Westerly boundary line of Parcel 2 above referred to, South 78° 21' West 61.66 feet

to a stake marked P.6 from which a one foot leaning oak bears North 31° East 0.30 chains and a two feet oak bears South 86° West 0.23 chains; thence South 17° 42' West 1.358 chains to a stake P.7; thence South 40° 29' West 1.172 chains to a stake; P.8; from which a ten inch oak bears South 3° West 0.172 chains; thence South 61° 49' West 1.109 chains to a stake P.9; thence South 36° 36' West 1.90 chains to a stake P.10; thence South 7° 10' West 2.91 chains to stake P.11; thence South 4° 39' East 1.91 chains to stake P.12 from which a 18 inch leaning sycamore bears North 17° East 0.35 chains; thence South 5° 47' West 0.81 chains to a stake P.13, from which a 6 inch laurel bears South 42° 30' East 0.08 chains; thence South 3° 02' East 3.684 chains to a stake P.14; thence South 5° 21' West 2.526 chains to a stake P.15, from which a 1 foot oak bears North 26° West 0.162 chains; thence South 1° East 99.84 feet, which is the Northwesterly corner of lot 54 of Block "B" of Almaden Manor as said lot and block are delineated and so designated on that certain map entitled "Map of Block "B" of Almaden Manor, situated in the San Vicente Rancho, Santa Clara County, California" etc., and filed for record July 24, 1926 in Volume "V" of Maps, pages 16 and 17, Records of Santa Clara County, California; thence running the following courses and distances, to wit;

S. 48° 32' W., 1090.85 feet,
S. 12° 35' E., 389.14 feet,
S. 78° 33' W., 195.00 feet,
N. 76° 37' W., 830.00 feet,
S. 62° 23' W., 987.55 feet,
N. 34° 52' W., 530.99 feet,
S. 23° 53' W., 440.00 feet,
S. 77° 43' W., 215.00 feet,
N. 18° 17' W., 424.00 feet,
S. 38° 01' W., 963.00 feet,
N. 86° 37' W., 680.00 feet,
S. 36° 45' W., 40.00 feet, which point is

the common boundary of the Rancho de los Capitancillos and that certain piece or parcel of land containing 101.64 acres heretofore conveyed by the City of San Jose to James Alfred Newland by deed dated January 4, 1867 and recorded in Volume "W" of Deeds, page 206, Records of Santa Clara County, California; thence North 60° West 515.12 feet to station at the junction of the Creek with a small branch of same; from this point the main Western branch of Alamitos Creek bears off North 60° West heading in the Sierra; thence leaving the Western branch of Alamitos Creek and meandering up the above mentioned small branch of same North 30° West 4.56 chains to station; thence North 1° East 10.47 chains to station; thence North 40° 45' East 5.35 chains to station; thence North 13° West 5.09 chains to station; thence North 31° West 2.47 chains to station; thence North 11° 15' West 3.02 chains to station; thence North 19° West 7.05 chains to station; thence North 32° West 3.71 chains to station; thence North 35° 30' West 2.27 chains to station; thence North 64° West 3.88 chains to station at the mouth of a canyon, course North 30° East; thence North 71° West 4.56 chains to station; thence North 50° West 4.10 chains to station; thence North 31° 15' West 4.00 chains to the head of the branch or canyon, 6.80 chains to a post marked "C.C." in the center of a saddle in the ridge which connects the Sierra to the Southwest with the Cuchilla de la Mina to the Northeast, the said ridge also divides the heads of the Arroyo de los Alamitos and Capitancillos, 8.50 chains to the head of canyon and down same, 15.41 chains to station; thence North 48°

West at 6.00 chains crosses a stream 10 links wide, courses North 15 chains to the mouth of a ravine 20 links wide, course South 20° East at 40.00 chains recrosses above mentioned stream or branch of Capitanelles Creek 10 links wide, course North 55° West 45.00 chains to the mouth of a ravine, 20 links wide bearing North 65° East and crosses stream 15 links wide, course Northwest 56.50 chains to a ravine bearing North 65° East at 58.50 chains recrosses same stream 15 links wide course North 55° West at 57.50 chains crosses stream 15 links wide, course Northwest, at 74.00 chains recrosses same stream 15 links wide, course North 55° West 90.50 chains to an oak tree 16 inches in diameter marked "C.C." station; thence North 83° 30' West 1,068.79 feet, thence leaving said dividing line and running the following courses and distances, to-wit:

N. 45° 16' W.,	91.29	feet,
N. 2° 37' W.,	147.85	feet,
N. 16° 04' E.,	74.94	feet,
N. 4° 19' E.,	121.17	feet,
N. 22° 27' W.,	40.72	feet,
N. 21° 18' E.,	79.40	feet,
N. 52° 15' W.,	33.77	feet,
N. 23° 55' W.,	149.83	feet,
N. 51° 53' W.,	139.96	feet,
N. 19° 16' W.,	109.58	feet,
N. 15° 10' W.,	155.85	feet,
N. 11° 32' E.,	296.53	feet,
N. 46° 53' E.,	143.95	feet,
N. 72° 56' E.,	80.00	feet,
N. 42° 16' W.,	151.55	feet,
N. 16° 04' W.,	169.45	feet,
N. 25° 57' W.,	138.74	feet,
N. 19° 09' E.,	126.14	feet,
N. 51° 14' W.,	136.54	feet,
N. 12° 57' W.,	170.99	feet,
N. 21° 57' W.,	162.30	feet,
N. 12° 56' E.,	137.00	feet,
N. 14° 02' W.,	143.60	feet,
N. 32° 15' W.,	214.18	feet,
N. 2° 14' E.,	160.65	feet,
N. 1° 12' E.,	110.52	feet,
N. 48° 36' E.,	126.40	feet,
N. 51° 50' E.,	147.30	feet,
N. 42° 20' E.,	171.72	feet,
N. 36° 17' E.,	133.59	feet,
N. 19° 56' E.,	90.00	feet,
N. 43° 08' E.,	69.10	feet,
N. 87° 38' E.,	43.40	feet,
N. 50° 15' W.,	96.40	feet,
N. 50° 30' W.,	88.15	feet,
N. 32° 00' W.,	65.15	feet,
N. 18° 12' E.,	55.10	feet,
N. 42° 33' E.,	71.45	feet,
N. 58° 39' E.,	60.70	feet,
N. 75° 19' E.,	66.10	feet,
N. 32° 17' W.,	62.65	feet,
N. 4° 39' E.,	85.55	feet,
N. 81° 52' W.,	39.98	feet,
N. 34° 09' W.,	53.40	feet,
N. 64° 58' W.,	168.87	feet,
N. 40° 04' W.,	61.50	feet,
N. 85° 53' W.,	59.76	feet,
N. 47° 53' W.,	115.68	feet,

N.	3° 13'	W.,	62.40	feet,
N.	24° 55'	E.,	112.90	feet,
S.	73° 21'	W.,	85.96	feet,
S.	73° 27'	W.,	133.19	feet,
N.	0° 09'	E.,	122.20	feet,
N.	21° 37'	E.,	71.70	feet,
N.	27° 45'	E.,	91.00	feet,
S.	69° 24'	W.,	162.56	feet,
S.	83° 47'	W.,	73.07	feet,
N.	47° 23'	W.,	76.20	feet,
N.	12° 55'	E.,	87.75	feet,
N.	13° 44'	E.,	162.00	feet,
S.	42° 59'	W.,	111.32	feet,
S.	77° 27'	W.,	108.05	feet,
N.	87° 24'	W.,	59.36	feet,
N.	27° 58'	W.,	76.50	feet,
N.	4° 15'	W.,	127.40	feet,
S.	60° 44'	W.,	86.55	feet,
N.	78° 30'	W.,	43.85	feet,
N.	38° 57'	W.,	37.75	feet,
N.	85° 40'	W.,	89.29	feet,
N.	35° 05'	W.,	123.60	feet,
N.	27° 53'	W.,	162.43	feet,
N.	10° 26'	E.,	101.95	feet,
N.	72° 00'	W.,	60.41	feet,
N.	71° 14'	W.,	134.30	feet,
N.	56° 07'	W.,	236.79	feet,
N.	43° 16'	W.,	185.55	feet,
S.	85° 09'	W.,	56.20	feet,
N.	67° 41'	W.,	105.30	feet,
N.	48° 36'	W.,	126.11	feet,
N.	36° 20'	W.,	81.28	feet,
N.	66° 59'	W.,	325.00	feet,
S.	47° 56'	W.,	226.50	feet,
N.	77° 24'	W.,	167.17	feet,
N.	54° 27'	W.,	400.69	feet, and
S.	45° 32'	W.,	192.31	feet, at which point

the line again joins the boundary line between the Rancho de Los Capitancill os and that certain piece or parcel of land heretofore conveyed by the Estate of Frank E. Wyman to A. B. Wyman by deed dated September 19, 1931 and recorded in Volume 588 of Official Records, page 23, Records of Santa Clara County, California and running thence along said dividing line the following courses and distances, to-wit: North 41° West 11.44 chains to station; thence South 76° 15' West 5.50 chains to station from which a large conical rock bears South 12° 45' East distant 20.00 chains; thence North 66° West 8.88 chains to a station; thence South 89° 45' West 3.00 chains to station; thence North 58° 45' West 2.50 chains to station; thence North 35° 45' West 5.00 chains to station; thence South 82° 15' West 6.50 chains to station; thence North 71° 45' West 8.50 chains to station; thence South 88° 45' West 2.50 chains to station; thence North 67° West 17.32 chains to station; thence North 2° 30' West 5.50 chains to station; thence North 37° 30' West 5.00 chains to station; thence South 84° 45' West 8.04 chains to station; thence North 45° East at 20 links leaves Capitancilles Creek and along the boundary line between part of the Los Capitancilles Rancho confirmed to Charles Fossatt and that part of the same Rancho confirmed to the Guadalupe Mining Company, 1 chains to a round post 6 inches in diameter marked C.C.C.F. from which an oak tree

4 feet in diameter marked B.T.C.C. bears North 61° 30' West distant 2.52 chains and an oak tree 3 feet in diameter bears North 15° East distant 2.52 chains at 2.50 chains crosses a road course East and West, at 3.50 chains leaves Canada and enters hills, 56.00 chains to a post marked C.C. 18 station; thence East 29.00 chains to foot of hills, at 31.00 chains crosses an Arroyo 10 links wide course North by East at 34.00 chains enters hills, 41.49 chains to a post marked C.C. 19 station; thence South 15.08 chains to a post marked C.C. 20 station; thence East 20.00 chains to a post marked C. C. 21 station, from which the corner of Sections 20, 21, and 28 and 29, Township 8 South, Range 1 East, bears North distant 20.00 chains; thence South at 4.50 chains to foot of ridge 11.50 chains to top of same, course East, at 15.50 chains to foot of ridge, at 15.80 chains crosses a ravine 5 links wide, course Northeast at 16.50 chains enters hills, 20 chains to a post marked C.C. 22 station; thence East at 9.00 chains foot of hills, at 9.10 chains crosses a ravine 10 links wide course Northeast, at 9.25 chains ascends point of ridge, at 12.50 chains to top of ridge, 20 chains to foot of same, at 21.50 chains crosses a ravine 10 links wide course North by West, at 22.00 chains ascends ridge, 30.00 chains to top of ridge and along foot hills 40.00 chains to a post marked C.C. 23 station; thence South 10.00 chains ascends ridge, 15.00 chains to top of same, from this point the large oak tree known as the "Eneino" bears South 48° 45' West, at 17.00 chains foot of ridge, at 17.50 chains ascends ridge, 20.00 chains to a post marked C.C. 24 station; thence East 6.50 chains to top of ridge and descends at 15.00 chains to foot of ridge, at 16.50 chains crosses a ravine 15 links wide course Northwest, at 17.00 chains ascends the Northwest slope of ridge, 20.00 chains to a post marked C.C. 25; thence South descending a ridge at 18.50 chains descends on East side of ridge 20.00 chains to a post marked "C.C.26" station; thence East at 16.00 chains to foot of ridge at 16.50 chains crosses a ravine 15 links wide, courses Northwest, at 17.00 chains ascends ridge 20.00 chains to a post marked "C.C.27" station; thence along the Western side of the ridge South 20.00 chains to a post marked "C.C.28" station; from which an oak tree 2 feet in diameter bears North 18° 30' East distant 46 links and an oak tree 2-1/2 feet in diameter bears South 35° West distant 13 links; thence East 6.00 chains to top of ridge and descends, at 23.00 chains; crosses a ravine 15 links wide, course North, at 23.50 chains ascends a ridge to top of same at 32.00 chains and descends to 40.00 chains to a post marked "C.C.29" station on the Eastern slope of ridge, from which a live oak tree 3 feet in diameter bears South 66° East distant 86 links; thence South at 8.75 chains crosses a ravine 15 links wide, course North by East, 20.00 chains to a post marked "C.C.30" station on the Eastern slope of ridge, from which a live oak tree 10 inches in diameter bears West distant 12 links; thence East 6.00 chains to top of ridge and descends to 16.50 chains to foot of ridge, at 17.00 chains crosses a ravine 40 links wide, course North by West, at 17.50 chains ascends ridge to top of same at 22.00 chains and descends to 26.00 chains to foot of ridge, at 26.50 chains crosses a ravine 30 links wide, course North, at 27.00 chains ascends ridge to top of same at 30.00 chains and descends to 40.00 chains to a post marked "C.C.31" station, from which an oak tree 30 inches in diameter bears North 23° West distant 43 links, which station C.C.31 stands in the West line of the Capitancillos Rancho, distant thereon South 53.22 chains from the intersection of said line of said Ranch with the Southwesterly line of the Almaden Road; running thence on said line of said Rancho, North 13.00 chains to a stake marked "Q1", the point of beginning.

BEING a portion of Lot 38 of the Rancho Los Capitancillos known as the Charles Fossatt Claim, and a portion of the Rancho San Vicente, 3730.00 acres, more or less.

PARCEL NUMBER TWO:

THE SOUTHEAST 1/4 and the Southeast 1/4 of the Southwest 1/4 of Section 6, Township 9 South, Range 1 East, M.D.M.

CONTAINING 200 acres of land, more or less.

PARCEL NUMBER THREE:

LOTS 2, and 4, and the Northwest 1/4 of the Southwest 1/4 of Section 5, Township 9 South, Range 1 East, M.D.M.

CONTAINING 123.77 acres of land, more or less.

PARCEL NUMBER FOUR:

THE NORTHEAST 1/4 of Section 8, Township 9 South, Range 1 East, M.D.M.

CONTAINING 160 acres of land, more or less.

PARCEL NUMBER FIVE:

The Northeast 1/4 of the Northwest 1/4 and the North 1/2 of the Northeast 1/4 of Section 7, Township 9 South, Range 1 East.

CONTAINING 120 acres of land, more or less.

PARCEL NUMBER SIX:

Lot 1, Section 10, and Lot 4 and Southeast 1/4 of Section 9, Township 9 South, Range 1 East, M.D.M.

CONTAINING 213.74 acres of land, more or less.

PARCEL NUMBER SEVEN:

BEGINNING at a point on the Easterly line of Hahn's land (now or formerly) distant Northerly 300 feet from a tree marked "L" standing in the Capitancillos Creek; thence Southwesterly on a line parallel with the general course of said Creek to the Southwesterly line of said lands; thence Southeasterly, crossing said creek and along said Southwesterly line to the end thereof, which is the apex of a triangle; thence in a straight line through the tree above mentioned to the place of beginning, forming a triangular piece of land and containing 10 acres of land, more or less.

PARCEL NUMBER EIGHT:

BEGINNING at the Southwest corner of land heretofore sold by the authorities of the City of San Jose to Francisco Mendibles and thence running Northerly along the Westerly line of lands so sold to Medibles to the line of lands sold by said City to L. Billou; thence Southwesterly along the line of said land sold to said Billou by said City to an alder tree marked "L"; thence due South along the line of land heretofore sold by said City to D. H. Hahn to the end of said line; thence along the Southwestern line of the Pueblo lands South 58° 24' East 28 chains to a stake; (which bears North 58° 24' West 13 chains from post "P.L.2" on Section line U. S. Survey) thence North 47-1/2° East 27 chains to the point of beginning.

CONTAINING 160 acres of land, more or less.

PARCEL NUMBER NINE:

BEGINNING at an iron pipe marked "A-2" standing in the most Northerly corner of Lot 1 of the A. H. Marten, W. S. Clayton, J. R. Chase, and E. Shillingsburg Subdivision, as recorded in Book "N" of Maps, at page 19, Records of Santa Clara County, California; said point of beginning being in the Southeast line of the Uvas or McKean Road; and running thence from said point of beginning and along the Southeast line of the Uvas or McKean Road, North 43° 00' East 38.25 feet to an iron pipe; thence crossing the Arroyo de los Alamitos, North 70° 43' East 243.6 feet to an iron pipe in the turn of the Uvas or McKean Road; thence along the Southwest line of the Uvas or McKean Road, South 52° 43' East 97.3 feet to an iron pipe; thence leaving the Uvas or McKean Road and crossing the Arroyo de los Alamitos South 43° 00' West 282.0 feet to an iron pipe in the Northeast line of Lot 1 of the "A. H. Marten, W. S. Clayton J. R. Chase and E. Shillingsburg Subdivision"; thence along the Northeast line of said last named Subdivision North 42° 00' West 210.9 feet to the place of beginning.

CONTAINING 1.00 acres of land, more or less, being situated in the San Vicente Rancho, Santa Clara County, California.

PARCEL NUMBER TEN:

BEGINNING at an iron pipe in the Northeast line of Lot 1 of the "A. H. Marten, W. S. Clayton, J. R. Chase and E. Shillingsburg Subdivision", as recorded in Book "N" of Maps, at page 19, Records of Santa Clara County, California, said point of beginning being South 42° 00' East 210.9 feet from an iron pipe in the Southeast line of the Uvas or McKean Road, at the most Northerly corner of said Lot 1; thence running along the Northeast line of Lots 1 and 2, of said A. H. Marten, W. S. Clayton, J. R. Chase and E. Shillingsburg Subdivision, South 42° 00' East 166.9 feet to an iron pipe marked "A-3"; thence along the Northeast line of Lots 2 and 3 of said last named Subdivision South 49° 32' East 490.02 feet to an iron pipe Marked "A-4" thence along the

Northeast line of Lots 3 and 4, of said last named Subdivision, South 69° 10' East 530.5 feet to an iron pipe marked "A-5" from which an oak tree 18 inches in diameter bears North 61° 35' East 58.5 feet and an oak tree 18 inches in diameter bears North 84° 10' East 59.3 feet; thence along the Northeast line of said Lot 4, South 23° 03' East 380.5 feet to an iron pipe marked "A-6" standing in the most Easterly corner of said Lot 4; thence crossing the Arroyo de los Alamitos and along the Southeast line of Lot 4 produced, North 56° 55' East 201.51 feet to an iron pipe marked "A-16" in the Southwest line of Lot 5 of the A. H. Marten, W. S. Clayton, J. R. Chace and E. Shillingsburg Subdivision; thence along the Southwest line of said Lot 5, North 18° 32' West 178.4 feet to an iron pipe marked "A-17"; from which an oak tree 3 feet in diameter bears North 10° 00' West 57.4 feet; thence continuing along the Southwest line of said Lot 5, North 34° 15' West 489.6 feet to a 2" x 4" stake marked "WP" in the Southwest line of the Uvas or McKean Road; thence along the Southwest line of the Uvas or McKean Road, North 77° 45' West 161.45 feet to an iron pipe; thence continuing along the Southwest line of the Uvas or McKean Road, North 52° 43' West 767.45 feet to an iron pipe; thence leaving the Southwest line of the Uvas or McKean Road and crossing the Arroyo de Los Alamitos, South 43° 00' West 282.0 feet to the place of beginning.

CONTAINING 9.516 acres of land, more or less, being situated in the San Vicente Rancho, Santa Clara County, California.

WATER RIGHTS, EASEMENTS, AND RIGHTS OF WAY

Any and all water rights, easements, and rights of way of whatsoever kind or nature appurtenant to the foregoing described property.

CORRECTION OF DESCRIPTION

It is agreed that the foregoing description in this article is subject to later correction if found to be in error.

Article 2. Preliminary Examination Period. The lessee is hereby given and granted a period of nine (9) months from the date hereof within which to make a preliminary and thorough examination of said property and determine whether or not it will take possession of said property and proceed with this lease and option as hereinafter provided. During said period of preliminary examination the lessee shall have and it is hereby given and granted the right and privilege to enter into and upon said property and the whole and every part thereof for the purpose of investigating, measuring, mapping, sampling, examining and testing the same and the mineral content thereof, and the water and sources of water in connection therewith. Lessee shall expend in said preliminary exploration or examination of the property between $50,000. and $200,000. depending upon the assistance received by or supplied to the lessee by Defense Minerals Administration (Department of the Interior, United States of America), make reports periodically to the lessors, and make all data and records relating thereto available to lessors.

Article 3. Notice of Election to Proceed and Effective Date of Lease and Option.

In the event lessee shall elect to take possession of said property and proceed under this lease and option, it shall, on or before the 1st day of February, 1952, notify the lessors in writing of such election, in which event the effective date of this lease and option shall be the 1st day of March, 1952. In the event of the failure of the lessee so to notify the lessors of its intention to proceed with this lease and option, all of lessee's rights hereunder shall terminate with the 1st day of February, 1952.

Article 4. Possession and Control of Property. Immediately

upon notifying the lessors of its intention to proceed with this agreement, the lessee shall have, and it is hereby given and granted, the right to enter into and take over immediately the sole and exclusive possession and control of said property and the whole and every part thereof subject to the provisions of Article 6 hereof, and, during the term of this agreement to remain in the sole and exclusive possession and control thereof, and to investigate, measure, sample, examine, test, develop, work, mine, operate, use, manage and control the same and the water and water rights appurtenant thereto, and to mine, extract and remove from said property the ores and minerals therein and appurtenant and belonging thereto, and to treat, mill, ship, sell or otherwise dispose of the same and receive the full proceeds therefrom except as provided in Article 8 (h) hereof; and to erect, construct, maintain, use and operate thereon and therein buildings, structures, machinery and equipment.

Article 5. Term of Lease. The term of this lease shall be twenty (20) years from and after the 1st day of March, 1952, unless sooner terminated or extended in the manner hereinafter provided. The original term may be extended for further periods of five years each upon written notice from the lessee to the lessors made on or before sixty days before the time the original term of this lease or any extension thereof would otherwise expire, but the total aggregate term of this lease shall in no event be extended beyond March 1, 1992.

Article 6. Right to Graze Livestock. There is hereby reserved to the lessors during the life of this agreement the right to graze livestock upon the surface of the property demised hereby or to lease the surface for livestock grazing. It is understood,

however, that the use of the surface right for grazing shall at no time interfere with the rights of lessee to use any of the surface of such property in connection with its mining operations. It is further understood that lessee shall be under no duty or obligation to protect livestock grazing upon said property from injury and lessors will at all times indemnify lessee against any cost, loss, damage, or expense arising out of any claim which may be asserted against lessee for or on account of the injury to or death of any livestock grazing upon said property. Also it is agreed that lessors will indemnify lessee against any cost, loss, damage or expense arising out of any claim asserted against lessee arising out of the injury to or death of any person herding or attending livestock upon said premises.

Lessors particularly agree that, if so requested by the lessee hereunder, neither they nor the lessees of their grazing rights will permit any livestock to graze within 250 yards of any building, shaft, tunnel, spillway, or other facility employed by lessee directly or indirectly in connection with its mining operation or the housing of its employees or its machinery or supplies.

Article 7. Entry and Manner of Work. The lessee agrees to take possession of said property immediately upon notifying the lessors of its intention to proceed with this lease and option, and to cause all work, development and mining to be done in a careful and minerlike manner and to conform in all respects with any applicable laws and regulations of federal, state and municipal authorities.

Article 8. Royalties. (a) Lessee shall pay the lessors royalties on all mercury ores extracted and treated from the demised

Dollars ($1000.) and the amount actually paid in royalty on production during such month. If and when such advanced royalty is paid by lessee it shall thereafter be returned to lessee out of any and all royalties on subsequent production in excess of the minimum monthly royalties.

Beginning on the 1st day of March, 1953, lessee shall pay to the lessors a minimum royalty of Two Thousand Dollars ($2,000.) per month. If royalties paid to lessors on production during any one month aggregate less than Two Thousand Dollars ($2,000.) lessee shall pay lessors as advanced royalty the difference between Two Thousand Dollars ($2,000.) and the amount actually paid in royalty on production during such month. If and when such advanced royalty is paid by lessee it shall thereafter be returned to lessee out of any and all royalties on subsequent production in excess of the minimum monthly royalties.

In the event of a valid forfeiture, cancellation or other termination of this lease and option the lessors shall not be obligated to refund any royalties or other sums at any time paid or advanced to them by lessee.

In the event the lessee shall give notice of its intention to surrender this lease and option as provided in Article 15 hereof, its obligation to pay minimum royalties to lessors hereunder shall cease thirty (30) days prior to termination. Lessee, however, shall pay any royalties due upon production up to the date of termination.

(f) All royalties shall be paid to the escrow agent hereinafter named. In case mercury is accepted by lessors under Article 8 (h) below in lieu of cash royalty, advice of transaction will be

filed with escrow agent. Without exception the minimum royalty payable for any month as prescribed in Article 8 (e) hereof shall be paid within twenty-five (25) days after the end of said month. Any part of the royalty on production for that month which is over and above the sum of the minimum royalty prescribed for that month and accrued advanced royalties shall be paid within fifteen (15) days after the receipt by lessee of payment for the mercury produced during said month. Each royalty payment to the escrow agent shall be accompanied by a statement in triplicate accounting for the manner in which the payment is computed.

(g) At the lessee's option, the lessee may set aside each month to dispose of as he sees fit, that amount of mercury which bears the same relation to the total amount of mercury produced as the lessee's percentage of the net return bears to the total net return in accordance with lessors' royalty rate as set out in Article 8 (a) hereof.

Lessee will, under this provision, sell the lessors' portion of the mercury through the established market channels at the best terms obtainable by lessee in the market at the time of sale, transportation costs considered, and the entire net return of this sale will be considered as royalty from production to be paid lessors in accordance with Article 8 (f) hereof.

(h) At the lessors' option, given in writing at least thirty (30) days in advance, the lessors, instead of accepting the royalties set forth in paragraph (a) of this Article 8 may request that beginning on the first day of a specified month the lessee set aside at the treatment plant an amount of mercury which, in relation to the total amount produced is equal to the royalty percentage. The

premises according to the following schedule:

Where grade of ore is not in excess of 2%, royalty shall be 5% of the net return; where grade of ore is over 2%, royalty shall be 10% of net return.

(b) The grade of the ore shall be determined monthly by dividing the number of pounds of mercury recovered in any month by the number of dry pounds of ore treated during that month. For example, if 7000 dry tons of ore are treated in a month and 140,000 pounds of mercury are recovered in that month, the grade is $\frac{140,000}{7000 \times 2000} = 1\%$.

(c) Net return shall mean the amount received for the mercury, less cost, if any, to lessor of flasks and transportation including insurance to the buyer. Lessee will not sell mercury produced from the demised premises upon terms less favorable than the best terms obtainable by lessee in the market at the time of sale, transportation costs considered.

(d) The number of dry pounds of ore treated shall be determined by weighing the ore or by some other method generally accepted by the industry, and correcting such weight to allow for contained moisture as determined from a sample taken from every hundred tons of ore in the usual manner at the time of weighing, and lessors, at their expense, may have a representative present when the ore is weighed, sampled, and the contained moisture determined.

(e) Beginning on the 1st day of March, 1952, and continuing to the 1st day of March, 1953, lessee shall pay to the lessors a minimum royalty of One Thousand Dollars ($1000.) per month. If royalties paid to lessors on production during any one month aggregate less than One Thousand Dollars ($1000.) lessee shall pay lessors as advanced royalty the difference between One Thousand

Dollars ($1000.) and the amount actually paid in royalty on production during such month. If and when such advanced royalty is paid by lessee it shall thereafter be returned to lessee out of any and all royalties on subsequent production in excess of the minimum monthly royalties.

Beginning on the 1st day of March, 1953, lessee shall pay to the lessors a minimum royalty of Two Thousand Dollars ($2,000.) per month. If royalties paid to lessors on production during any one month aggregate less than Two Thousand Dollars ($2,000.) lessee shall pay lessors as advanced royalty the difference between Two Thousand Dollars ($2,000.) and the amount actually paid in royalty on production during such month. If and when such advanced royalty is paid by lessee it shall thereafter be returned to lessee out of any and all royalties on subsequent production in excess of the minimum monthly royalties.

In the event of a valid forfeiture, cancellation or other termination of this lease and option the lessors shall not be obligated to refund any royalties or other sums at any time paid or advanced to them by lessee.

In the event the lessee shall give notice of its intention to surrender this lease and option as provided in Article 15 hereof, its obligation to pay minimum royalties to lessors hereunder shall cease thirty (30) days prior to termination. Lessee, however, shall pay any royalties due upon production up to the date of termination.

(f) All royalties shall be paid to the escrow agent hereinafter named. In case mercury is accepted by lessors under Article 8 (h) below in lieu of cash royalty, advice of transaction will be

filed with escrow agent. Without exception the minimum royalty payable for any month as prescribed in Article 8 (e) hereof shall be paid within twenty-five (25) days after the end of said month. Any part of the royalty on production for that month which is over and above the sum of the minimum royalty prescribed for that month and accrued advanced royalties shall be paid within fifteen (15) days after the receipt by lessee of payment for the mercury produced during said month. Each royalty payment to the escrow agent shall be accompanied by a statement in triplicate accounting for the manner in which the payment is computed.

(g) At the lessee's option, the lessee may set aside each month to dispose of as he sees fit, that amount of mercury which bears the same relation to the total amount of mercury produced as the lessee's percentage of the net return bears to the total net return in accordance with lessors' royalty rate as set out in Article 8 (a) hereof.

Lessee will, under this provision, sell the lessors' portion of the mercury through the established market channels at the best terms obtainable by lessee in the market at the time of sale, transportation costs considered, and the entire net return of this sale will be considered as royalty from production to be paid lessors in accordance with Article 8 (f) hereof.

(h) At the lessors' option, given in writing at least thirty (30) days in advance, the lessors, instead of accepting the royalties set forth in paragraph (a) of this Article 8 may request that beginning on the first day of a specified month the lessee set aside at the treatment plant an amount of mercury which, in relation to the total amount produced is equal to the royalty percentage. The

value of the mercury set aside shall be computed at the market quotation for the calendar week such mercury is set aside, as published in E. & M. J. Metal and Mineral Markets. If during the calendar week that the mercury is set aside, for any cause, there shall be a temporary suspension of quotations for mercury, the quotation to be used in determining the value of the mercury set aside shall be the average quotation calculated by combining the quotations of the last calendar week preceding the suspension of quotations, and the quotations of the first calendar week following the resumption of quotations.

Lessors' royalty on production, not including advance royalty, and after deducting any repayable advance royalty, will be divided by the unit price established as above to determine the number of pounds of mercury to be paid in kind for disposition by lessors. Any remaining mercury set aside will then revert to lessee.

If mercury is so set aside for the lessors the cost of flasks or other containers and any other expense connected therewith shall be paid by lessors. If lessors elect to receive payment of royalty in kind as herein provided, such arrangement shall continue until the lessors notify the lessee that beginning on the first day of a specified month they wish lessee to resume royalty payments in cash. Provided, however, lessors may not require lessee to resume cash payment of royalty except upon at least six (6) months' previous notice.

(i) In the event lessee, in the exploration, development, or mining of the demised premises, should encounter minerals or metals, other than mercury, in commercial quantities, lessee shall have the right to develop, mine, and sell all such minerals and metals and shall pay to lessors upon all such minerals or metals so mined and sold royalties upon a basis to be agreed upon between the parties, provided however that such royalties shall not be less favorable to either than royalties applicable to similar operations

at the time. In the event the parties cannot agree upon a schedule of royalties for any such minerals or metals then such royalties shall be established by arbitration. In such case each party will appoint one arbitrator and if the arbitrators so appointed cannot agree then they shall select a third arbitrator.

Article 9. Records and Inspection by Lessors. Lessee agrees to keep such records of its mining operations hereunder including maps as is customary in good mining practice. All such maps, and all such records which are pertinent to the determination of royalties, shall be available for lessors' inspection upon request. Upon written request but not more often than semi-annually and at lessors' expense lessee will furnish lessors with copies of all such maps, and records which are pertinent to the determination of royalties.

The lessors may enter said property at all reasonable times for the purpose of inspecting the same, and lessee shall facilitate such inspection in every reasonable way, but lessors shall enter upon said demised property at lessors' own risk and so as not to hinder unreasonably the operations of lessee. The lessors shall indemnify and hold harmless the lessee from any damage, claim or demand by reason of injury to or the presence of the lessors or the lessors' agents or representatives or any of them on the demised premises or approaches thereto.

Article 10. Taxes. Lessee shall pay when due and before they are delinquent all general property taxes (in whatever manner determined) assessed against lessors' ownership in the demised premises during the term of this lease, or any extension thereof, beginning with and pro-rated from the 1st day of March, 1952. The

lessee shall also pay when due and before delinquent all taxes levied or assessed against any and all personal property, machinery and equipment placed upon said demised premises by the lessee during the term of this lease, and lessors shall not be charged with any part of the taxes levied or assessed against any and all personal property, machinery and equipment placed upon said demised premises by the lessee during the term of this lease.

Article 11. State and Federal Laws. Lessee shall comply with the Workman's Compensation Laws of California and with Social Security, Unemployment Insurance and all other state and federal laws relating to lessee's operations and shall save lessors harmless from any claim for damages or liability by reason thereof.

Article 12. Protection from Liens and Damages. The lessee shall keep the demised premises and the whole and every part thereof free and clear of liens for labor done or work performed upon the demised premises or materials furnished to it for the exploration, development or operation thereof under this lease and while the same is in force and effect, and will save and keep harmless the lessors from all costs, loss or damage which may arise by reason of injury to any persons employed by the lessee in or upon the demised premises or any part thereof, or which may arise by reason of injury to any persons or damage to any property while this agreement is in force and lessee is in possession of the premises as the result of any work or operations of the lessee or of its possession and occupancy of the demised premises, except as provided in Article 9 hereof.

Article 13. Forfeiture Clause. The failure of the lessee to make or cause to be made any of the payments herein provided for or to keep or perform any agreement on its part to be kept or performed according to the term and provisions of this agreement, shall, at

the election of the lessors, work a forfeiture hereof; provided, however, that in the event of a default on the part of the lessee, and the election of the lessors to terminate this agreement on account thereof, the lessors shall give to the lessee a written notice of their intention to declare a forfeiture of this agreement and to terminate the same on account thereof, specifying the particular default or defaults relied upon by them, and the lessee shall have sixty (60) days after receipt of such notice in which to cure such default or defaults, in which event, there shall be no forfeiture thereof. Any moneys due by lessee up to the time of termination by such forfeiture shall, notwithstanding such forfeiture, remain due and payable by lessee. Waiver or failure to give notice of a particular default or defaults shall not be construed as condoning any subsequent default.

Article 14. Unavoidable Delay. If the lessee shall be delayed at any time in keeping or performing any agreement on its part to be kept or performed according to the terms and provisions hereof, except obligations under Articles 9 and 12 hereof and except the payment of royalties and taxes, by any act or neglect of the lessors, or by strikes, lockouts, fire, unusual delay in transportation, shortage of labor, orders of the Government, State or Federal, or any duly constituted instrumentality thereof, unavoidable casualties, or any causes beyond the control of the lessee, such delay shall not be deemed a breach of this lease or a default on the part of the lessee constituting a cause for forfeiture.

Article 15. Cancellation by Lessee. Notwithstanding any provision herein to the contrary, the lessee may at any time upon not less than ninety (90) days' written notice to the lessors, can-

cel and terminate this lease and option and relinquish and surrender the demised premises. On or before the termination date specified in such notice of intention to cancel, at the written request of the lessors, the lessee will deliver to the lessor a written relinquishment of this lease and option.

Article 16. Surrender of the Property. In the event of a valid forfeiture, cancellation or other termination of this lease and option, the lessee will surrender to the lessors peaceable possession of the property, and shall be under no further obligation of whatsoever kind or nature to the lessors, except for the making of payments which have already accrued or are apportionable, including taxes, at the date of such forfeiture, cancellation or termination; and all payments theretofore received by lessors shall be considered as liquidated damages. It is understood that the provisions of this Article 16 shall not terminate lessee's obligation under Article 12 hereof.

Article 17. Removal of Equipment, etc. by Lessee. The lessee shall have and it is hereby given and granted six (6) months after a valid forfeiture, surrender, or other termination of this lease and option to remove from said property all warehouse stocks, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal or wooden tanks, and any and all other machinery, trade fixtures, equipment, or structures erected or placed in or upon said property by it, provided that such right of removal shall not extend to water pipes, lines or mains used or reasonably necessary for use in supplying or servicing the leased property with water.

Article 18. Title. Lessors covenant that lessors now hold title and possession of the demised premises free and clear of all former grants, sales, liens or encumbrances of any kind, except two mortgages, one in the principal sum of $396,800., and the other in the principal sum of $111,668.77, incumbering a five-sixths interest in said property, which said mortgages are owned by lessors and will, by appropriate agreement, be subordinated to this lease; and that there are no delinquent taxes; and lessors agree that they will make available forthwith any and all abstracts or certificates of title covering the demised premises.

Article 19. Option to Purchase. The lessors hereby give and grant unto the lessee the exclusive right and privilege at its election, prior to the 1st day of March, 1972, to purchase the above described property free and clear of encumbrances for the price and upon the terms and conditions set forth in the following schedule, to wit:

$1,250,000. if paid in full on or before March 1, 1957

$1,500,000. if paid after March 1, 1957 and on or before March 1, 1962

$2,000,000. if paid after March 1, 1962 and on or before March 1, 1972

Notice of lessee's election to exercise its option to purchase may be given at any time prior to the 1st day of March, 1972, and will be sufficient if in writing and addressed as hereinafter provided. Any and all royalties at any time paid by lessee in accordance herewith, including credits for mercury set aside for lessors, shall be credited upon the purchase price.

If and when lessee shall elect to exercise the option herein granted and shall have paid the purchase price herein provided all

of lessee's obligations under this lease and option shall cease and terminate except lessee's obligation under Article 12 hereof.

Article 20. Escrow. Concurrently herewith the lessors shall execute, acknowledge and cause to be delivered to the Girard Trust Corn Exchange Bank, as escrow agent, their good and sufficient special warrant deed in favor of the lessee, as grantee therein, conveying their respective interests unto the lessee free and clear of encumbrance, together with the appropriate escrow instructions whereby said deed shall be delivered by the escrow agent to the lessee upon the payment of the purchase price, less all payments made by lessee in accordance with the terms of this lease and option.

At the time of making payments herein provided to be made by the lessee, the lessee shall deliver to the aforesaid escrow agent a written statement by the lessee, in triplicate, to the escrow agent giving the amount of such royalties, cash payments or advances accompanying each payment. Said statement of the computation of payments furnished by lessee shall be accepted by the escrow agent as correct and conclusive for the purposes of the escrow, but the acceptance of such statement of lessee by the escrow agent shall not foreclose or in any manner prejudice the lessors, or either of them, in challenging the accuracy or correctness of any such statement. All charges and expenses for the services of the escrow agent and for the handling of said escrow shall be paid by the lessee.

Article 21. Sale. Should a buyer offer to purchase the demised premises, or any part thereof, upon terms which lessors are willing to accept, lessors agree to give prompt notice to lessee of such offer, and the terms thereof. Following such notice, the

lessee shall have a period of sixty (60) days in which to enter into an agreement to purchase the same from lessors upon the same terms, failing which the lessors shall be at liberty to sell to the buyer above mentioned, upon said terms, subject however to this Mining Lease and Option and all of the terms and conditions thereof. If such sale should not be consummated in accordance with said terms, but a new offer be received by lessors, before accepting such new offer lessors shall give due notice to lessee of such new offer, together with the terms thereof, and lessee shall again have a period of sixty (60) days in which to enter into an agreement to purchase the premises from lessors upon the terms of such new offer. Lessors' obligation to give ' first refusal' to lessee shall continue as above outlined until the premises, or the portion thereof involved, has been sold; but in any such event lessee's rights under this Mining Lease and Option shall continue unimpaired thereby. Lessors may also assign and transfer this Mining Lease and Option, giving prompt notice to lessee of any such assignment. Until it has received such notice, lessee may continue to deal only with the lessors, as provided in this Mining Lease and Option. Anything herein to the contrary notwithstanding, lessors may convey the premises herein leased, or assign this Mining Lease and Option, to a corporation organized by them in exchange for stock and/or other securities issued by said corporation in exchange therefor; provided that any such transfer of the premises shall be under and subject to this Mining Lease and Option. Any sale or transfer of the demised premises by lessors while this contract is in effect shall be subject to all the terms and conditions of this agreement, and to all the terms and conditions of any agreement supplemental or collateral thereto.

Article 22. Notices. Any notices required or permitted to be given hereunder shall be considered as delivered seventy-two (72) hours after the same shall have been deposited in the United States mail, duly registered, with postage thereon prepaid, addressed to the respective addressed set forth below:

If to lessors: Mr. Richard H. L. Sexton
444 West Chestnut Avenue
Philadelphia 18, Pennsylvania

and

Mr. Eric H. L. Sexton
P. O. Box 147
Camden, Maine

If to lessee:

Said addresses for receiving notices may be changed by either party upon two (2) days' previous written notice to the other party.

Article 23. Assignment. The lessee shall not assign this agreement or any interest thereunder without the written consent of lessors.

Article 24. Inurement. These presents shall inure to the benefit of and be binding upon the respective executors, administrators, heirs and successors and assigns of the parties hereto.

Article 25. Construction. The titles to the respective articles hereof shall not be deemed a part of this lease but shall be regarded as having been used for convenience only.

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

_____(SEAL)
Richard H. L. Sexton

_____(SEAL)
Joan F. H. Sexton

_____(SEAL)
Eric H. L. Sexton

_____(SEAL)
Beryl M. D. Sexton

Lessors

CORDERO MINING COMPANY

BY_____
VICE PRESIDENT

ATTEST:_____
SECRETARY

Lessee

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-1165X

Date received 5/15/51

Participation

NEW ALMADEN MINE
SANTA CLARA COUNTY, CALIFORNIA

Cordero Mining Company
57 Post Street
San Francisco 4, California

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application May 9, 1951

Estimated cost $100,000. to $200,000.

Mineral or metal Metallic Mercury

Percentage of Government participation 75%

Location of mine 12 miles south of San Jose, Santa Clara County, California

Date of filing MF-100 May 9, 1951

DMA Docket Number, if available DMA-1165X

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.

CORDERO MINING COMPANY
(Name of company)

By J. Eldon Gilbert
(Signature of authorized official)

MAY 9, 1951
(Date)

J. Eldon Gilbert
Manager
(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

6. Not owners.

7. Lease not available at present.

8.

9. $25,000. to $50,000.
Yes, sufficient amount.

10. (a) Refer to 7 (b) and (c), Form MF-100.

15. Ore will be milled on the property and product (mercury) shipped to consumer by common carrier.

20. For mercury ores.

21. The work would consist of drilling those areas as recommended by the Geological Survey which could be reached from the surface and the continuation of this drilling program based upon geological information secured from the first drill holes. Probably would require 1 to 2 years.

22. Refer to #7, Form MF-100.

23. (a) through (i)

Drilling would be done by contract and contract let to the lowest bidder.

24. Work would start as soon as project is approved and necessary contracts negotiated. Price of drilling would probably be $4. to $8. per foot depending upon conditions.

Form MF-100
(March 1951)

U[redacted] DEPARTMENT OF THE INTER[redacted]
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-1165X

Date received 5/15/51

NEW ALMADEN MINE
SANTA CLARA COUNTY, CALIFORNIA

Cordero Mining Company
57 Post Street
San Francisco 4, California

Rec'd May 16 '51 WB.

Name and address of applicant

Date May 9, 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.

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: 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)
J. N. Pew, Jr. 1600 Walnut Street Philadelphia 3, Pa.	Pres. & D.						
S. H. Williston 1600 Walnut Street Philadelphia 3, Pa.	V.Pres. & D.						
Donald P. Jones 1600 Walnut Street Philadelphia 3, Pa.	Sec. & D.						
Cordero Mining Company is a wholly-owned subsidiary of the Sun Oil Co. of New Jersey. For credit ratings see Dun & Bradstreet.							
	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	$ 75,000	$ 75,000	$ 1,000	75	
Preferred stock	$ None	$	$		

*Indicate period covered.

10. Production: (See attached sheet)

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.)	Mercury	------Very	little produced	----	Practically 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.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

GENERAL TECHNICAL DATA

1. (a) Metallic Mercury

   (b) No by-product

2. (a) (b) and (c)

   Total extent of underground work is in excess of 10 miles

   (d) Many thousands of feet of surface trenching

   Lower levels are flooded

3. (a) 12 miles south of San Jose, California

   (b) Almaden Mining District

   (d) Santa Clara County, California

4. (a) Not in operation

   (b) Lessee

5. Over 100 years

   Not known when production will begin

6. Cordero Mining Company has had fifteen years of successful experience in the mining of quicksilver in Nevada and Oregon and during that time has been one of the three principal producers of mercury within the United States

7. (a) The property has had a long and varied history with many periods of activity under many different operators each developing and mining material that was ore at their respective operations. Up to the present time it has produced over 1,000,000 flasks of quicksilver.

   (b) and (c)
   The U. S. Geological Survey has for more than 5 years conducted an examination of this property and adjoining properties. It has the best and most complete information available.

8. See information shown on form

9. See information shown on form

10. See information shown on form

11. Practically no production at present. If development proves successful maximum monthly production will probably be 500 to 700 flasks.

12. Refer to #7 on form

13. Shipping and supply points 12 miles distant over 10 miles of good State highway and 2 miles over good mountain road.

14. Water supply on property sufficient for operation.

15. Probable amount of power 200 to 300 kw. available from Pacific Gas & Electric Co. at contract rate probably less than 1¢ per kw.

16. Probable total of crew - 50 to 75 men.

17. Only equipment now on the property consists of dwellings, shaft headframe and empty furnace building, all in fair to excellent condition.

(*b*) If deposit is other than placer:

(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)					
Indicated (probable)					

(*c*) If placer:

(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.

CORDERO MINING COMPANY
(Name of company)

By J. Eldon Gilbert
J. Eldon Gilbert
(Signature of authorized official)

MAY 9, 1951
(Date)

Manager
(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

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

November 21, 1950

Mr. Claude C. Smith
Duane, Morris & Heckscher
1617 Land Title Building
Philadelphia 10, Pennsylvania

Dear Mr. Smith:

It gives me great pleasure to enclose a copy of the report "Some exploration possibilities at the New Almaden mine, Santa Clara County, California." This report has recently been released for public inspection at the U. S. Geological Survey Library, Washington, D. C.; at the offices of the U. S. Geological Survey, 102 Old Mint Building, San Francisco, California; and at the offices of the California Division of Mines and Geology, Ferry Building, San Francisco, California.

Sincerely yours,

Olaf N. Rove, Chief
Mineral Deposits Branch

Enclosure

Steven - Int. 2905

DEPARTMENT OF THE INTERIOR

INFORMATION SERVICE

GEOLOGICAL SURVEY

For Release NOVEMBER 21, 1950

REPORT ON THE NEW ALMADEN QUICKSILVER MINE RELEASED

A report on exploration possibilities in the New Almaden quicksilver (mercury) mine in Santa Clara County, Calif., by Geological Survey scientists has been released for public inspection, Secretary of the Interior Oscar L. Chapman announced today.

The New Almaden mine, about 10 miles south of San Jose, Calif., has yielded more than a third of the quicksilver produced in the United States. Although the mine is now inactive, the average grade of the ore produced is such that if new ore bodies of comparable grade can be found they could be profitably mined even with the present low price of quicksilver.

A study of the New Almaden district, begun in 1941 as a part of the Survey's program of strategic mineral investigations, was continued until 1943. Geologic maps of more than 10 miles of accessible workings lying above the 850' level have been previously placed in open file; other workings now inaccessible extend down to the 2450' level.

The map, section, and explanatory text released today describe several areas in and near the mine which appear to offer the greatest promise for further exploration at minimum cost.

The report, entitled "Some Exploration Possibilities at the New Almaden Quicksilver Mine, Santa Clara County, California," by Edgar H. Bailey, is not available for distribution, but copies have been placed in open file for public inspection at the following Geological Survey offices: Room 1033 (Library) General Services Building, Washington, D. C.; Room 102, Old Mint Building, Fifth and Mission Streets, San Francisco, Calif.; and in the office of the California Division of Mines and Geology, Ferry Building, San Francisco, Calif.

x x x

P.N. 85659

Interior—Duplicating Section, Washington, D. C.

Some exploration possibilities at the New Almaden quicksilver mine Santa Clara County, California [1]

Edgar H. Bailey, August 1950

INTRODUCTION

The New Almaden mine, which has yielded about a third of the quicksilver produced in the United States, is 10 miles south of San Jose, California. A study of the entire New Almaden district, begun in 1941 as a part of the Survey's program of strategic mineral investigations, was continued until 1948. In the future the complete results of this study will be embodied in a comprehensive report; however, to eliminate the inevitable time lapse between the completion of the study and publication of the report, some of the material of immediate economic value is being released through placement in open files. Geologic maps of the accessible workings of the New Almaden mine, including most of those above the 850 level, have already been released. This report presents a short description of some of the more easily tested exploration possibilities in the same mine. It is not exhaustive, and does not pretend to be an evaluation of the possibilities of the entire district.

The price of quicksilver, which normally is controlled by a European cartel, was low in mid-1950 when this report was prepared, and virtually all quicksilver mines in the United States had been forced to suspend operation because of the relatively high cost of labor and construction materials and the low grade of known reserves. The New Almaden mine has been shut down since 1945, and no new ore bodies minable at a time of low value of quicksilver have been found in the New Almaden mine since about 1900. The well authenticated production records of the mine prior to this

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[1] Published with permission of the Director, U. S. Geological Survey

time, however, indicate that if new ore bodies comparable in grade to those formerly mined can be found they will be minable even under the existing economic conditions.

The average grade of all ore furnaced at New Almaden by 1900 was about 4 percent quicksilver, and the relatively small amount of lower grade ore removed since that time, although not so completely recorded, would not reduce this average very much. In contrast, ores containing as little as 3 pounds of quicksilver to the ton were successfully mined by open cut methods during the period of high quicksilver value during World War II.

The New Almaden mine area has been explored by about 35 miles of underground workings distributed from the surface to a depth of about 2400 feet. In spite of this extensive exploration, much of which was well planned, the Survey's geologic study indicates the existence of a few unexplored, yet easily tested, areas that are believed to be geologically favorable for the discovery of ore bodies. They remained unexplored largely because of the lack of geologic study of the environment of the known ore bodies and the surrounding areas during the development of the mine between 1850 and 1900.

GEOLOGY

The oldest rocks of the New Almaden mine area are a part of the heterogeneous Franciscan group of Upper Jurassic (?) age. These rocks are folded and intruded by serpentine sills, the margins of which are altered to a quartz-magnesite rock known as silica-carbonate rock. Ore bodies are found in this silica-carbonate rock close to the original intrusive contacts of the sills. Most of the ore bodies that have been mined were along the upper side of the sills close beneath a "capping" of sheared shale; others not quite so large but equally as rich, were along the lower parts of the sills above similar sheared shale. Where the contacts are relatively flat the ore bodies are in the higher parts, as in the crests of domal or anticlinal structures. Where the contacts are steeper the bodies are in places where steep northeasterly trending quartz-carbonate veins are particularly abundant. In both situations the ore was formed by replacement of the silica-carbonate rock along the vein fractures, but generally the veins themselves are virtually barren.

As the ore occurs along the altered margins of the serpentine, the form of the serpentine intrusive is the dominant structure of the mine area insofar as a search for additional ore is concerned. The principal intrusive crops out at the surface in the central part of Mine Hill and in the past has been interpreted as having the form of a cedar tree that expanded irregularly downward, being steep but serrate along its south flank and relatively gently inclined on the north and east. The majority of the ore bodies were found as the result of exploration along the margin of this body and contouring of the surface of the intrusive indicates that at least two unexplored areas remain which might contain ore. These areas (areas A and B of this report) can be probed by drilling 250- to 600-foot vertical holes from the surface.

Other potential ore-bearing areas are suggested by a reinterpretation of the shape of the serpentine intrusive. This irregular mass is now believed to consist chiefly of two main sills that are joined in the upper central part of the mine area first explored and give the appearance of a single intrusive mass. This new interpretation introduces three additional extensive, but little explored, contact areas that can be expected to contain ore bodies in favorable parts. Two contact areas (areas C and D of this report) that appear especially promising can be reached by drilling a few hundreds of feet from the 800 level Day Tunnel.

AREAS SUGGESTED FOR EXPLORATION

Area A.

Area A lies along the upper margin of a serpentine sill at an altitude between 1,000 and 1,150 feet, under and east of the camp area (See figure 1). The upper part of the sill has been explored to the south by the Harry workings and to the west and northwest by the Velasco and North Randol workings. A projection of the contact as explored in these workings indicates that between them there is a northwesterly trending arch, with its apex a little east of the main camp area (see figure 1). Similar structures in other parts of the mine have contained ore bodies. That ore-bearing solutions have penetrated the area is indicated by: (1) A small amount of cinnabar occurs in a dolomite vein at the base of the Camp Shaft, although such veins in most of the mine area are barren. (2) The company surveyors reported finding "cinnabar" and "low grade ore" when the northern part of the Harry 800 level was driven. (3) A little cinnabar occurs in chert at the apex of Church Hill, several hundred feet east of the crest of the arch.

The area could be most easily explored by a series of vertical holes, from 250-600 feet deep, put down from the surface between the camp and the crest of Church Hill.

Area B.

Area B lies along the upper margin of a serpentine intrusive at altitudes between 1,100 and 1,350 feet beneath the saddle northwest of Cemetery Hill (see figure 1). The serpentine surface has been extensively explored to the north and east by the Harry-Cora Blanca workings and to the northwest by the San Francisco workings. Although the margin of the intrusive is not altered to silica-carbonate rock at the surface between these two groups of workings, underground all of the nearest workings are in silica-carbonate rocks which contain small, local ore bodies. The shape of the surface of the intrusive between these two areas cannot be accurately predicted from the available data, but, as is shown by the structural contours on figure 2 the intrusive surface is believed to contain a structural "nose" plunging to the southeast. As similar structures have served to localize ore bodies elsewhere in the mine, this area offers promise for further exploration. It can be most easily tested by drilling vertical holes from 200 to 400 feet long from the surface.

Area C.

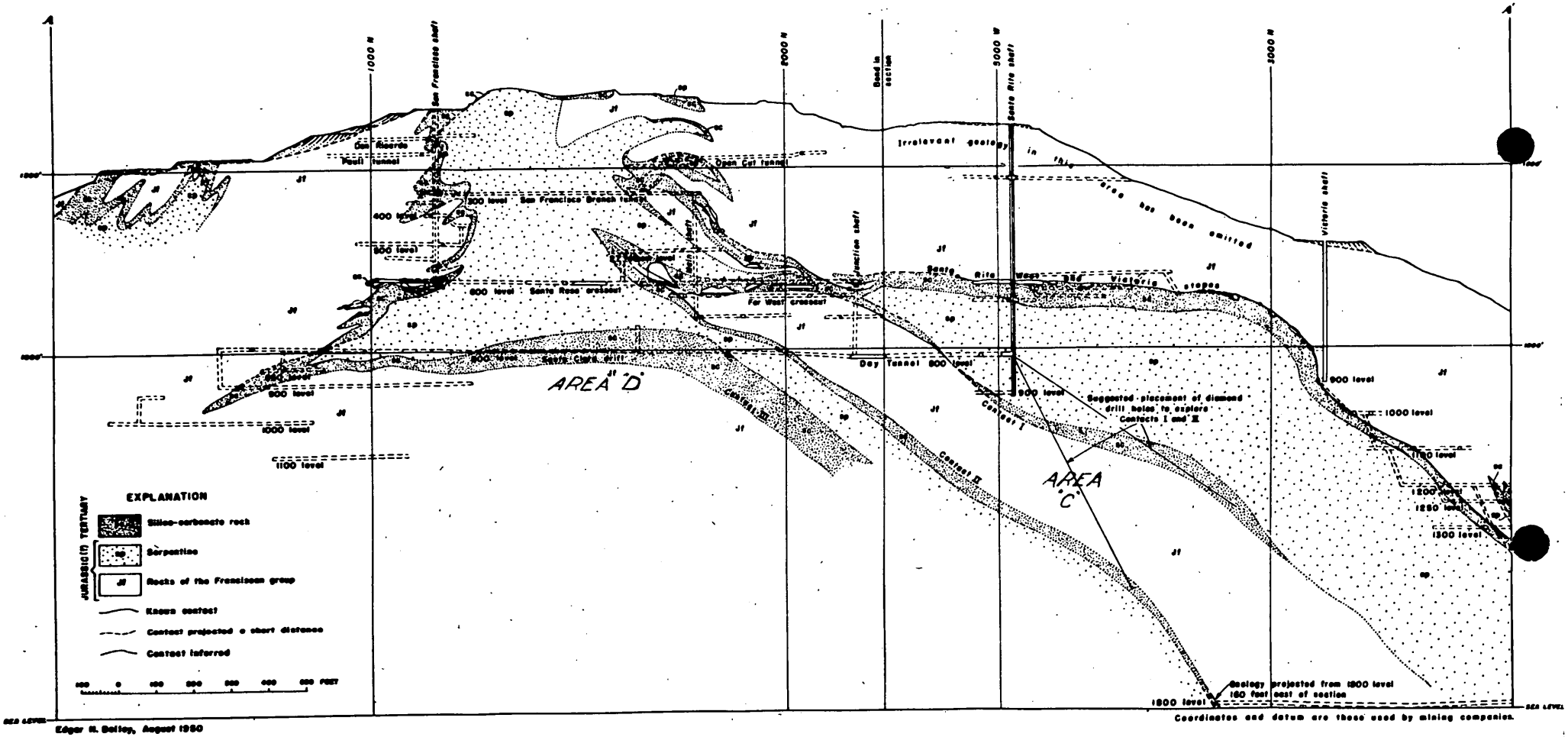
Area C, as shown on figure 2, is northwest of the Santa Rita shaft and between 200 and 600 feet below the 800 level Day Tunnel. Exploration of this area is suggested to test the silica-carbonate rock along the two contacts labelled I and II in the figure. Each of these contact areas contains some ore at and above the Day Tunnel level, but has been little explored below this level. A part of contact I exposed in a drift extending eastward from the base of the Santa Rita shaft on the 900 level contained silica-carbonate rock but no ore, although the drift was driven to search for the downward continuation of ore found on the level above. Below the 900 level this contact is cut 800 feet west of the section on the 1400 level and 450 feet east of the section near the 1800 level of the Santa Rita shaft. Although no silica-carbonate rock was found in either of these last two places, it is not improbable that silica-carbonate rock and ore bodies might be found in the unexplored area between the 900 and 1400 levels. If the lower surface of the sill conforms roughly to its upper surface, it is arched in the area between the 1000 and 1200 levels. Such a structure offers a good possibility for ore. Exploration of this area could be easily carried out by drill holes bearing N. 15°-35° W from the Day Tunnel near its intersection with the Santa Rita Shaft. As the position of the arch is inferred, the inclination of exploratory holes should be governed by what is found in the first hole, which should be inclined downward at no less than 35°.

Contact II forming the upper surface of the lower sill, is even less explored below the Day Tunnel level than contact I. Except for a winze which follows 61 feet down this contact from the Day Tunnel level, no workings penetrate the contact between the Day Tunnel level and a crosscut from the Randol shaft on the 1300 level. A short drift from the end of this crosscut extends westward to within about 160 feet of the line of section shown on figure 2. It explored a shell of silica-carbonate rock about 20 feet thick that was reported by the mine surveyors to contain cinnabar. The distance between these two points down the dip is about 1400 feet, and an equal lateral extent of the silica-carbonate rock is quite possible. Available data are too few to attempt an accurate delineation of this contact or any prediction of where are the most favorable parts along it. It can be most readily explored by drilling from the branch of the 800 level Day Tunnel leading toward the Santa Rita shaft.

Area D.

Area D is in the central part of the mine a short distance below the Day Tunnel and just above the lower contact of a serpentine sill ("contact III" in figure 2). This contact has not been penetrated anywhere near the section line, but its position and attitude is postulated from the arch of silica-carbonate that is penetrated for more than 600 feet by the Day Tunnel. Elsewhere in the mine area the silica-carbonate rock is found only along the margins of the serpentine sills; and as this mass of silica-carbonate is overlain by serpentine it presumably marks the lower side of the serpentine body, and is underlain by rocks of the Franciscan group. Exploration on the 900, 1000, and 1100 levels in the area a little farther south reveals such rocks beneath the contact (see figure 2).

The most favorable part of this contact area is the crestal portion of a dome, which is inferred to lie east of the old "mule barn" cutout in the Day Tunnel. Favorable indications for the existence of ore in this part of the mine are: (1) The Day Tunnel follows several northeasterly trending veins similar to those that generally accompany ore bodies; (2) The highly altered silica-carbonate rock is similar to the rock found along the margins of the stoped out ore bodies; and (3) When the Day Tunnel was driven, cinnabar fines were seen in a spring near the "mule barn". A raise put up here in search of ore penetrated into barren serpentine, but no winze was ever put down to the contact below. The area is favorably situated for exploration by drilling downward and eastward from near the "mule barn", and any ore that is found can be readily exploited through the Day Tunnel.



Edgar H. Bailey, August 1950

Figure 2. CROSS SECTION THROUGH NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA

Coordinates and datum are those used by mining companies.

Dma-1165

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

C. .IFICATE OF DEPOSIT FOR CHECKING ACC 'T

Deposited with Federal Reserve Bank of San Francisco, Calif. 10/22/54
(Name and location of depositary) (Date sent)

DEPOSIT NO. [illegible]

the sum shown opposite for credit, subject to check, in the disbursing account of—

$ 2,687.96

SYMBOL NO. 402

G. H. Rodgers, Jr. Co., San Francisco, California
(Name and address of officer to be credited)

On account of—
[illegible]

E-64

(Depositor will insert below his name, title, Department or Agency concerned, and his address)
JOHN H. SJOLANDER, FISCAL OFFICER
INTERIOR, BUREAU OF MINES, DEFENSE
MINERALS EXPLORATION ADMINISTRATION
555 BATTERY STREET, ROOM 420
SAN FRANCISCO, CALIFORNIA

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

OCT 22 1954
(Authorized signature)
FEDERAL RESERVE BANK OF SAN FRANCISCO
TREASURY
(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

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

SCHEDULE OF COLLECTIONS

Schedule No. SF-DMEA-7

Sheet No. 1 of 1

Department of the Interior, Bureau of Mines (Department or Establishment)

Defense Minerals Exploration Administration (Bureau or Office) (14-24-030)

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

Period May, 1953 (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)
4/28/53 dtd. 4/16/53	1	Cordero Mining Company	Docket 1165X; Contr X-64. Amount due in closing DMEA 1165X-Idm X-64, Almaden, Calif. Credit given on final report for equipment bid on by Cordero Mining Co. and accepted by Mr. H. C. Miller, Executive Officer DMEA Field Team March 26, 1953.	$363.84	14X4401 Revolving Fund, Defense Production Act, Interior
fh			Total,	$363.84	

Received _____, subject to collection.

Forwarded May 1, 1953

_____ (Disbursing clerk or accountable officer)

By _____

By _____ (Name)

Title Lloyd H. Sjolander Authorized Certifying Officer

Certificate of Deposit No. 2284 dated May 5, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 30 1953

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

March 26, 1953

Mr. J. Eldon Gilbert, Manager
Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket DMA-1165X (Mercury)
New Almaden Mine
Santa Clara County, Calif.
Contract Idm-E64 Amended

Dear Mr. Gilbert:

Reference is made to your letter of March 20, 1953, addressed to Mr. A. C. Johnson at Reno, Nevada, in which you list the following equipment and machinery which have been purchased with DMEA funds and were used in your operation under the above cited contract:

7 tons 16# Rail
5 tons 12# Rail
4000 ft. (approximately) black iron 2" pipe
1 3 HP Mall Chain Saw
1 3/4 HP G.E. Electric Motor
1 Starting Battery
4 Truck Tires and Tubes - size 650 x 20

We note that you have made every effort to have the equipment appraised and to get bids for its purchase; that no one was interested in any of the equipment on an "as is - where is" basis while it still was underground; that in order to get any bids at all you found it necessary to remove the rail and pipe from their underground location, and that you then were able to find a market for only the rail, pipe, and chain saw.

You report that the best bid you could get for the rail was $70 per ton; 17 cents per foot for the pipe, and $150 for the saw. Your efforts to sell the battery, tires and tubes, and the electric motor are noted and that the best you could do was to get not more than $15.00 for the battery; $10.00 for each tire, including tubes, and $15.00 from a junk dealer for the 3/4 HP motor.

On the strength of the effort you have made to dispose of the material at the highest possible price, we accept the Cordero Mining Company's bid, dated March 20, 1953, for the purchase of the following material on an "as is - where is" basis at the prices indicated:

12 tons Rail	at $72.00	$ 864.00
4000 ft. 2" Pipe	17-1/2 cts.	700.00
3 HP Chain Saw		150.00
1 Battery		15.00
4 650 x 20 Tires & Tubes	$10.00 ea.	40.00
1 3/4 HP Electric Motor		15.00
		$1784.00

Your final report should include a detailed statement of the disposition you have made of the property. As you are purchasing the property, credit for its value should be indicated in your final monthly report on Form MF-104 by the insertion of suitable credits in the "Monthly Total" column.

Sincerely yours,

H. C. MILLER

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

Copy to: DMEA, Washington, D.C. (2)
E. H. Bailey, USGS
A. C. Johnson, Reno

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53

Defense Minerals Administration
RECEIVED
APR 29 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1953 Docket No. DMEA 1165X Contract No. Idm-E-64

Operator's Name Cordero Mining Company Minerals Mercury

Address 131 University Ave., Palo Alto, Calif.

Contract Amount, $200,000.00 Government Participation: 75 % Amount, $150,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		47576.16	47576.16			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor ***	545.80	19084.55	19630.35			
Supervision	311.50	16306.09	16617.59			
Technical Services *	200.00	3204.21	3404.21			
(3) Operating Mat'ls. and Supplies:						
Timber		8914.10	8914.10			
Explosives		57.84	57.84			
Pipe **	(illegible)	1403.96	539.96			
Track **	(illegible)	2549.84	1849.84			
Other **	(illegible)	6044.52	5918.33			
Power	29.11	557.92	587.03			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1362.71	1362.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	18.58	773.82	792.40			
Liability Insurance	11.34	142.02	153.36			
Workmen's Comp.	69.86	3649.51	3719.37			
Transportation		34.59	34.59			
(8) Contingencies (specify):						
Hospital Insur.	18.88	326.68	345.56			
TOTALS	(illegible)	111988.52	111503.40			

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

Date 4-16-53 *Payee Cordero Mining Company

Per J. Eldon Gilbert Title Manager

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

* Includes charges and services for outside geologist.
** Credit for purchase of equipment by Cordero (See attached Schedule)
*** Working Superintendent

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature _____ Title _____ Date _____

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature _____ Title _____ Date _____

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 1165X Contract No. Idm-E-64
Operator's Name Cordero Mining Company Minerals Mercury
Address 131 University Ave., Palo Alto, Calif.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Replacing old								
Crosscutting timber etc.				62564.53	2745'	22.79	foot	39.27
Raising								
Shafts								
Winzes								
Drilling: Core				47576.16	7761'	6.13	foot	6.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				110140.69				Total Costs Authorized by Contract
Operating Equipment Purchased								3192.00
Initial Rehabilitation and Repairs				1362.71				
New Buildings, Improvements, etc.								2208.00
Total Costs				111503.40				5400.00

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

Date 4-16-53 Operator Cordero Mining Company

Per J. Eldon Gilbert Title Manager

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

CORDERO MINING COMPANY
131 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

April 16, 1953

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Mr. Johnson:

We enclose herewith Operator's Monthly Report and Voucher, Operator's Unit Cost and Progress Report, supplementary schedules showing costs for final report as well as our check No. 1378 in the amount of $363.84.

The credit developed was from the purchase of equipment outlined on the schedule attached. Our bid on this equipment was approved by Mr. H. C. Miller in his letter of March 26, 1953.

The engineering reports are temporarily delayed but will be forwarded within the next few days.

Very truly yours,

J. Eldon Gilbert
Manager

JEG:b
Enc.

Original and 4 copies of letter
" " " " " Form MF-104 & MF-104A
" " " " " Log
~~5 copies of Sketch Map~~
5 " " Payroll Summary
Copies of Invoices

COPY

DMEA 1165X Idm-E-64
Almaden, California.

Schedule of Costs:
March 31, 1953

ACCOUNT:	COST	CREDIT FOR EQUIPMENT PURCHASED	REPORTED
LABOR	$ 545.80		$ 545.80
* Supervision	311.50		311.50
Technical Services	200.00		200.00
Pipe			
Track			
Other	93.81		
Power	29.11		29.11
Payroll Taxes	18.58		18.58
Liability Ins.(Truck)	11.34		11.34
Workmen's Compensation	69.86		69.86
Hospital Insurance	18.88		18.88
	1298.88		

Less 25% Cordero Mining Company Participation

Balance due

Equipment Purchased from DMEA.

12 Tons Rail @ $72.00 - - - - - - - - - - -	$ 864.00
4000 Ft. 2" Pipe @ .17½ ft.- - - - - - - - -	700.00
1 3HP Chain Saw - - - - - - - - - - - - - -	150.00
1 Battery- - - - - - - - - - - - - - - - -	15.00
4 650 X 20 Tires & Tubes @ $10.00 each	40.00
1 3/4 HP Electric Motor - - - - - - - - -	15.00
	$1784.00

* Working Superintendent.

DMEA PROJECT
ALMADEN, CALIFORNIA
FINAL REPORT

March, 1953.

SALARIES AND WAGES:	EXPENDITURE	CHECK NO.	ACCOUNT
Bert Mitchell(Working Supt.) 3-1-53 to 3-15-53 only	$ 311.50	PR	Supervison
Albert McFarland (Miner) 3-1-53 to 3-15-53 only	176.80	PR	Labor
Donald L. Curry, 3-1-53 to 3-31-53 only	369.00	PR	Labor
Total wages- - - - - - - - - - -	$ 857.30		
Purchases:			
A. G. Pond	2.48	1291	Other
Baker Graphic Co.	17.30	1292	Other
Standard Oil Company of Calif.	36.62	1294	Other
Pacific Gas & Electric	29.11	1296	Power
Pacific Tel & Tel	7.20	1325	Other
Bert Mitchell (Expenses)	19.09	1326	Other
Dr. Lloyd W. Staples	200.00	1357	Geology & Geophysics
Baker Graphic Co.	11.12	1358	Other
Other Costs:			
Health Insurance (Hourly Employee)	13.79		Hospital Insurance
" " (Salaried ")	5.09		" "
Truck Insurance (No Chg for Truck)	11.34		Liability Insurance
Workmen's Compensation (Schedule "A"	69.86		Workmen's Comp.
Employer's Contribution:			
F. O. A. B. (Schedule B)	12.86		Payroll Taxes
Fed. Withholding Tax (C)	2.86		" "
Calif. Unemployment Tax (Schedule D)	2.86		" "
	$ 1298.88		

"A" Workmen's Comp.

$488.30 X $11.33	$	55.32
369.00 X 3.94		14.54
	$	69.86

	"B" F. O. A. B.	"D" Cal. Unmply.	"C" Fed. Unmply.
Mitchell	$ 4.67	1.04	1.04
McFarland	2.65	.59	.59
Curry	5.54	1.23	1.23
	$ 12.86	$ 2.86	$ 2.86

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAR 19 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals Mercury
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible] % Amount, $[illegible]

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

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

Date [illegible] *Payee [illegible]

Per J. Elton Gilbert Title [illegible]

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

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

(Instructions on reverse)

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

$5080.53

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date MAR 24 1953 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature A. C. Johnson Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date March 19, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

ACCOUNTS MAR 19 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of FEBRUARY 3, 1953 Docket No. DMEA 1165X Contract Mercury Id-1-64

Operator's Name 131 University Avenue, Palo Alto, California Minerals

Address

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting, replacing old timber		2,131.55		63,049.65	2745'	22.97		37.27
Crosscutting								
Raising								
Shafts								
Winzes		4,642.50		47,576.16	7761'	6.13	Foot	6.50
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		6,774.05		110,625.81				Total Costs Authorized by Contract 3,172.00
Operating Equipment Purchased				1,362.71				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								2,298.00
Total Costs		6,774.05		111,988.52				5,470.00

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

Date March 13, 1953 Operator GOLDEN MINING COMPANY

Per J. Elton Gilbert Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

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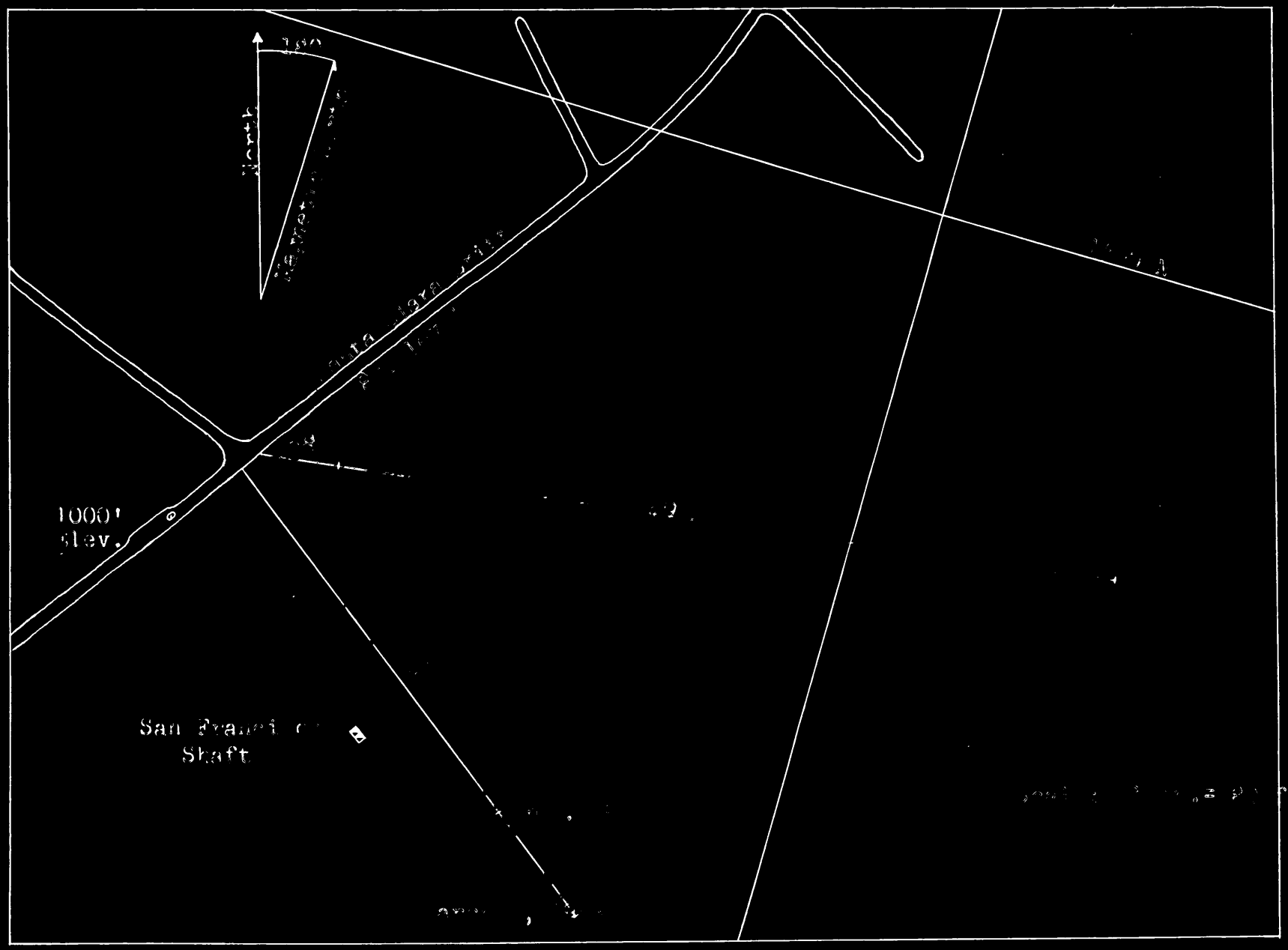
North
1000'
elev.
Shaft

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: Almaden Calif
DEPARTMENT:
SHEET NO.
PAY PERIOD ENDING: Feb 15 1953

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	9. H.I. P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	almaden mine																																
	Herbert J.E. Mitchell			MONTHLY																	623.00	311 50	311 50				3 12	4 67	45 30			4 95				253 46
	541-22-4269		1	almaden mine																																
	Donald L. Curry			MONTHLY																	369.00	184 50	184 50				1 85	2 77	31 60			1 06				147 22
	564-05-7804		5	almaden mine																16	.85															
	Albert W. McFarland			=	8	8	8	8	8	=	8	8	8	8	8	=			96		1.70	176 80	163 20	13 60			1 77	2 65	7 80							164 58

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL _____ LOCATION _____ SHEET NO. _____

DISTRICT MANAGER APPROVAL _____ DEPARTMENT _____ PAY PERIOD ENDING Feb 13 1953

INDICATE BY RED X REIMBURSEMENT OF IMPREST FUND	NAME AND IDENTIFICATION: Social Security Number	Empl. Class.	Withld Deduct Code	DATE AND HOURS (11 17 18 19 20 21 22 23 24 25 26 27 28)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc,) T-2	Net Amount Paid
	546 03 [illegible]		3	[illegible]									12 46 [illegible]									238 41
	HARRY E. McEwen			M N N X X			1.23	311 50	311 50													
	542 24 [illegible]		1																			
	Donald L. Curry			M N N X X			2.69	184 50	184 50				1 85	27 31								148 28
	564 05 [illegible]		5			11	86															
	Albert W. McFarland				96		1.71	164 80	163 20	1 60			1 72	26 51								164 58

CORDERO MINING COMPANY
131 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

March 13, 1953

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

~~1165X~~ - Contract Idm-n-64

Dear Mr. Johnson:

After drilling #7 drill hole it was decided the area around the Santa Rita shaft was too difficult to explore by diamond drilling and the rest of the program would be concentrated in the area around the old San Francisco shaft, east of the Santa Clara drift (see enclosed sketch).

In this area #8, #9, and part of #10 drill holes were drilled during February. Drill hole #10 was finished in the early part of March. Complete logs on all of these holes are included. Drill hole #9 encountered a few specks of cinnabar but nothing near commercial grade.

With the completion of #10 drill hole it was decided to abandon the Almaden project, the drilling was stopped and the equipment is being removed.

A more complete report will follow when the project is completely terminated.

Very truly yours,

J. Alden Gilbert
Manager

JEG:L
Enc.

Original and 4 copies of letter
" " " " Form MF-104 & MF-104A
" " " " Log
5 copies of Sketch Map
8 " of Payroll Summary
Copies of Invoices

DEPARTMENT OF INTERIOR
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SAN FRANCISCO, CALIFORNIA

CORDERO MINING COMPANY

Diamond Drill-Hole Log

NEW ALMADEN MINE

HOLE NO. UGS V111

Logged by D. L. Curry

Location 1268N - 5335W		Length	62 feet
Started Fe. 7, 1953		Bearing	S 81 W
Stopped Feb. 10, 1953		Dip	-25 degrees

Depth	Recovery	Formation
0'	8.5'	Silica-Carbonate rock with a few dolomite-quartz veinlets. Many limonitized fractures. Much pyrite. Slight trace HgS at top.
13'	8'	Same as above with less fracturing & no HgS.
21'	7'	S-C rock as above. Many fractures. Some limonitization & a little leaching along fractures. Much pyrite.
29'	4'	Same as above with only a little fracturing near bottom. Slight trace HgS & a little hydrocarbon matter at top.
33'	2'	S-C rock with a few dolomite-quartz veinlets & much pyrite. No HgS.
35'	7'	Same as above. Some HC matter.
42'	6'	Same as above.
48'	1.5'	Somewhat silicified alta (sheared shale, greenstone, & a little sandstone). Much pyrite & a little HC matter. Many small carbonate veinlets & some small quartz veinlets.
52'	3'	Same as above.
59'	3'	Chert with some quartz-dolomite veinlets, some pyrite, & a little HC matter.
62'	Bottom of hole.	

Shear-planes found in the alta and some S-C rock make an angle with the core of 35 to 45 degrees. This angle would indicate a dip of the footwall contact of 10 to 20 degrees westerly.

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CORDERO MINING COMPANY

Diamond Drill-Hole Log

NEW ALMADEN MINE

Logged by D. L. Curry

HOLE NO. UGS #1X

Location 1268N-5335W
Started Feb. 10, 1953
Stopped Feb. 21, 1953

Length 500 feet
Dip +49.5 degrees
Bearing S 81 E

Depth	Recovery	Formation
0'	6'	Largely transitional serpentine-silica-carbonate rock. Limonitization is accompanied by some leaching in top 3'.
9'	5.5'	Same as above with some S-C rock. Some dolomite-quartz veinlets & much pyrite. Fair trace HgS at 12'.
13'	3'	S-C rock with a few dolomite-quartz veinlets. Considerable limonitization & some leaching. Much pyrite. No. HgS.
16'	7'	S-C rock with some dolomite-quartz veinlets & some pyrite & millerite.
23'	10'	Same as above. A 1" dolomite-quartz vein & several smaller ones.
33'	10'	Same as above with less millerite. Some hydrocarbon matter last 5'.
43'	7'	Same as above with some HC throughout. Broken up last 3'.
52'	10'	S-C rock with a few dolomite-quartz veinlets, some pyrite & a trace of millerite. Limonitization at 55'. A trace of chalcopyrite.
62'	10'	Same as above with a slight trace of HC.
72'	9'	Same as above with no chalcopyrite. A 1.5" dolomite-quartz vein at 7'.
81'	4'	Same as above.
85'	9'	Same as above. Some prominent vugs. Hematite stain in veinlets last 1'.
94'	6'	S-C rock with a few dolomite-quartz veinlets & much pyrite. Trace of millerite. Some hematite stain in veinlets from 94' to 95'.
101'	10'	Same as above. Slight trace of stibnite at 104'. Some hematite stain in veinlets from 107' to 108'. A 1" dolomite vein at 102'. Some HC.
111'	6'	S-C rock as above with some HC.
117'	10'	Same as above. A small amount of hematite stain in veinlets. A 1¼" dolomite vein at 118' & a 1" vein at 124'.
127'	10'	Same as above. A 1½" vein at 135'. 2 or 3 close fractures with limonite stain. Less hematite stain.
138'	6.5'	Same as above with several close limonitized fractures.
145'	8'	Same as above. Last 2' of core is mostly dolomite (with some quartz) vein matter. Zone was brecciated before crystallization of vein matter. Last 8" is broken up.
155'	4'	Badly broken vein matter top 1'. S-C rock from there on. Badly broken last 1.5'. A little chalcopyrite & bornite near top.
165'	3'	S-C rock, broken up, especially top 1'.
170'	5'	Somewhat broken S-C rock with many dolomite-quartz veinlets, much pyrite & some HC matter. Much hematite

HOLE NO. UGS #1X (Continued)

Depth	Recovery	Formation
		stain in small veinlets.
176'	6'	Same as above but with broken zone only last 1'.
182'	1.5'	S-C rock as above.
192'	3.5'	S-C rock with some dolomite-quartz veinlets & some pyrite. Somewhat broken up. Somewhat leached in spots, especially at bottom.
203'	7.5'	S-C rock with a few dolomite-quartz veinlets & some pyrite. Much HC at 207'. Several close, limonitised fractures showing a little leaching.
211'	10'	S-C rock with some dolomite-quartz veinlets & some pyrite. Some limonitization along a few close fractures rest of rock. Much HC from 217'
221'	7'	S-C rock with a few dolomite-quartz veinlets & some pyrite. Much limonite & some hematite in veinlets. Some HC. Core broken 2' to 3' & 4' to 6'.
231'	9.5'	Same as above with much less limonite in veinlets but some along 3 or ~~4~~ 4 fractures.
241'	7'	Primarily dolomite-quartz vein filling top 2'. Rest is highly silicified S-C rock, brecciated & vein filled to 246'.
248'	9'	Highly silicified S-C rock to 251', less silicified from there on. A few quartz-dolomite veinlets, some pyrite & HC, & a little millerite. A trace of sphalerite at 255'.
257'	7'	Same as latter part of above. A little chalcopyrite at 260'.
264'	10'	S-C rock as above. A little hematite stain in veinlets last 2'.
275'	10'	S-C rock with a few dolomite-quartz veinlets (1" veinlet at 276' & 2" veinlet ~~2~~ at 279'). Some pyrite & HC. Some jasper & some hematite stain in veinlets.
285'	10'	Same as above, less jasper & much HC.
295.5'	9.5'	Same as above with no jasper or hematite.
306'	7'	S-C rock with a few dolomite-quartz veinlets & some pyrite & millerite. Much jasper & hematite thruout. Traces HgS thruout most of core (near veinlets). Fracture zone partially leached at 309'. 4" of dolomite vein matter (broken) 3' from bottom of core. Last 5' shows shearing & mineralization tending to parallel core.
316'	9'	S-C rock as bottom part of above. Small pea-sized mass of HgS in dolomite vein at 323'.
325.5'	10'	Same as latter part of above. Less jasper near bottom.
336'	8'	Same as above with increased jasper near bottom. Slight trace HgS at 344'.
346'	6.5'	S-C rock with a few dolomite-quartz veinlets (1/4" vein at 347'). Some jasper & hematite. Much pyrite & millerite. Trace HgS at 352'.
353'	6.5'	S-C rock as above. Traces of HgS in veinlets top 2', partially disseminated. Core somewhat broken at bottom.
363'	5'	Same as above. Broken at 3' & bottom. Very slight trace HgS at 366'.

HOLE NO. UGS #1X (Continued)

Depth	Recovery	Formation
370'	10'	Same as above. Much hematite & jasper top 5' & from 377' to 378'. No H_2S.
380'	9'	Same as above with little hematite or jasper from 383'. Some HC from 383'.
390'	10'	Same as above with HC matter. Some jasper & hematite from 393' to 396'.
401'	9.5'	Same as above with a little jasper & hematite. Less millerite & pyrite.
411'	10'	Same as above.
421'	7.5'	Same as above with more jasper & hematite. Badly broken bottom 6".
429'	10'	S-C rock as above with moderate to extreme silicification. Much jasper in places. A little leaching & limonitization in spots.
439'	9.5'	Same as above without leaching or limonitization & with less jasper. Much HC matter.
450'	9.5'	Same as above with weaker silicification.
460'	~~9.5'~~ 10'	S-C rock with some dolomite-quartz veinlets & some pyrite & millerite. Highly silicified to 461' & from 467' to 470'. Rest of rock is highly porous (leached) in character with many small carbonate veinlets. Some HC.
470'	10'	S-C rock with many small dolomite-quartz veinlets. Some pyrite & millerite & much HC matter.
480'	10'	Primarily transitional serpentine-silica-carbonate rock with some pyrite.
490'	10'	Primarily serpentine with many dolomite-quartz veinlets (small).
500'	Bottom of hole.	

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CORDERO MINING COMPANY

NEW ALMADEN MINE
DIAMOND DRILL HOLE LOG
HOLE NO. UGS #X

Logged by J. L. Curry

Location 1252N - 5343W		Length	313 feet
Started Feb. 23, 1953		Bearing	S 36.5 E
Stopped March 2, 1953		Dip	Horizontal

Depth	Recovery	Formation
0'	10'	S-C rock with much dolomite-quartz vein matter in spots. Much pyrite. Core is badly broken in spots & there is much limonitization.
17'	5'	S-C rock with a few dolomite-quartz veinlets & much pyrite. 4 or 5 close fractures accompanied by a little limonitization.
22'	9'	Same as above with some HC matter & a little millerite. No limonitization last 6'.
31'	10'	S-C rock with a few dolomite-quartz veinlets, some pyrite, some HC, & a trace of millerite.
41'	10'	Same as above. A little soft & broken at 49'.
51'	4.5'	Same as above. Badly broken bottom 1'.
56'	8.5'	Same as above with much pyrite. Badly broken at 58', 60', 66' & bottom 1'.
68'	6'	Same as above with increased millerite content.
74'	4'	Same as above with some millerite. Somewhat porous in spots.
79'	2.5'	Same as above without porosity.
82'	5'	Same as above with less HC matter.
88'	2'	Same as above with a little HC matter. Broken at bottom.
91'	9.5'	Same as above with some specks of HgS near a veinlet from 93' to 94'. A 2" dolomite-quartz vein at 91'.
101'	6'	Same as above with much hematite in 6" of core at 103'. Core badly broken bottom 6". No HgS.
110'	5'	S-C rock with some pyrite, a few dolomite-quartz veinlets, & traces of millerite.
116'	10'	Same as above.
126'	8'	Same as above.
134'	9'	Same as above with some HC matter. 1/2" dolom-quartz vein at bottom.
144'	8'	Same as above. Less HC matter. Much limonite & hematite from 150' to 151'. Somewhat broken at bottom.
152'	4'	Same as above with much pyrite, & no Fe2O3. Broken at bottom.
157'	6'	S-C rock with a few dolomite-quartz veinlets, much pyrite, traces of millerite, & some HC matter.
165'	6'	Same as above with a 1/2" dolom-quartz veinlet at 168'.
171.5'	9'	Same as above with a negligible amount of HC matter.
181'	9'	Same as above. Somewhat broken at 186'.
191'	7'	Same as above with 4" to 5" of alta at 192'.
201'	4.5'	Same as above with no alta.
206'	10'	Same as above.
216'	5'	Same as above with increased HC content.
221'	9.5'	Same as above with some HC matter.
231'	10'	Same as above with some limonite along several close fractures.
241'	10'	Same as above with limonite. Fair trace of HgS in veinlets at 244.5'.
251'	10'	Same as above, but extremely silicified last 5'. No HgS or limonite.

Depth	Recovery	Formation
261'	4'	Silicified alta with many small quartz-dolomite veinlets & much pyrite to 262'. Rest is carbonatized sheared, fine to coarse sandstone with much pyrite & a few dolomite-quartz veinlets.
265'	5'	Carbonatized sheared, medium-grained arkose with some dolomite-quartz veinlets & much pyrite.
271'	5'	Carbonatized sheared, very fine to medium grained sandstone with some dolomite-quartz veinlets & much pyrite.
276'	5.5'	Same as above with a little shale & less pyrite.
282'	5.5'	Same as above with some pyrite.
288'	10'	1' of carbonatized alta (chiefly sandstone) with many dolomite-quartz veinlets & some pyrite. Then 2' of S-C rock with several dolomite-quartz veinlets & some pyrite. Then 2' of carbonatized highly sheared sandstone with many small dolomite-quartz veinlets & some pyrite. Rest is primarily S-C rock as above.
298'	7.5'	3' of alta as at 288', then 2.5' S-C rock as at 289'. Rest of core is alternating S-C rock and alta. Much dolomite-quartz vein matter at 3' to 4' from top of core.
308'	4.5'	1' of alta as at 288'. Rest of core is primarily extremely silicified S-C rock as at 256' to 261'. There are 2" dolomite-q quartz veins at 309' & 309.5', & a 1" vein at 311'.
313'	Bottom of hole.	

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SAN FRANCISCO, CALIFORNIA

Form MF 104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
ACCOUNTS
RECEIVED
FEB 27 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAR 1 6 1953

Month of [illegible], 1953 Docket No. DMEA 1165[illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address 131 University Avenue, Palo Alto, California
Contract Amount, $[illegible] Government Participation: 75 % Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2834.80	40098.86	42933.66			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	749.80	17612.15	18361.95			
Supervision	603.00	15060.09	15663.09			
Technical Services	3325.00	2552.01	2877.01			
(3) Operating Mat'ls. and Supplies:						
Timber		821.10	821.10			
Explosives		57.84	57.84			
Pipe		1403.96	1403.96			
Track		2549.84	2549.84			
Other	190.28	5644.87	5843.15			
Power	30.87	499.75	530.62			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1362.71	1362.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	29.84	716.72	745.56			
Liability Insurance		119.34	119.34			
Workmen's Compensation	155.54	3341.51	3497.05			
Transportation		94.59	94.59			
(8) Contingencies (specify):						
Hospitalization Ins.	10.80	296.92	307.80			
TOTALS	4905.01	10249.46	15154.47			

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

Date 2/11/53 *Payee [illegible]

Per J. Elden Gilbert Title Manager

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

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

(Instructions on reverse)

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

$3723.76

[illegible]
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date Vou. No. SF-DMCA-36
(See other side)

* Includes services and charges for outside geologists

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature A. C. Johnson Title Chief, Mining Div. Date February 25, 1953.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date February 26, 1953.

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-[illegible]4A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
ACCOUNTS [illegible] FEB 27 1953
MAR 16 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible]
Address 131 University Ave., Palo Alto, California
Minerals Mercury

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting, Replacing old								
Crosscutting timber		2130.21		6918.10	2745'	22.19		30.27
Raising								
Shafts								
Winzes								
Drilling: Core		2634.80	393'	42933.66	6836'	6.28	[illegible]	6.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		4765.01		103851.76				Total Costs Authorized by Contract
Operating Equipment Purchased								3100.00
Initial Rehabilitation and Repairs				1362.71				
New Buildings, Improvements, etc.								2200.00
Total Costs		4765.01		105214.47				5400.00

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

Date 2/11/53 Operator Cordero Mining Company

Per J. Elton Gilbert Title Manager

J. Elton Gilbert

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

February 11, 1953

Mr. W. S. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-3-64

COPY

Dear Mr. Johnson:

During the month of January No. 7 diamond drill hole was drilled and completed at a depth of 681 feet.

The entire month was spent on this underground drill hole and, to date, this hole has been the most difficult to drill.

The log is enclosed.

Very truly yours,

J. Aldon Gilbert
Manager

JAGil

Enc.
Original and 4 copies of letter
" " " " " Form MF-104 & MF 104A
5 copies of log
5 " " Sketch Map
5 " " Payroll Summary
Copies of Invoices

Cordero Mining Company
Diamond Drill-Hole Log
New Almaden Mine
Almaden, California

HOLE NO. UGS #V11

Logged by D. L. Curry

Location 5040 W - 2485 N | Length 681 feet
Started Dec. 1, 1952 | Bearing N 25 W
Stopped Feb. 2, 1953 | Dip - 60°

Depth	Recovery	Formation
0'	36'	Serpentine, primarily massive with a few shear zones.
47'	10'	Same as above with increased shearing.
59'	5'	Massive serpentine.
64'	7.5'	Massive serpentine with some shearing.
72'	5'	Sheared serpentine.
78'	5.5'	Massive serpentine with some shearing.
86'	16'	Primarily sheared serpentine.
105'	13'	Badly sheared serpentine.
119'	6'	Massive serpentine with some shearing.
124'	7.5'	Alternating sheared & massive serpentine. Some alta bottom 1'. Many small dolomite veinlets bottom 2'.
136'	5'	Alta (sheared shale, greenstone, & sandstone). Few dolomite veinlets.
141'	4.5'	Alta (sheared greenstone, sandstone, & shale), somewhat carbonatized.
153'	2.5'	Carbonatized alta (much shale, greenstone, some sandstone).
161'	3.5'	Same as above. Top 1' is cave.
168'	9'	Somewhat sheared serpentine.
178'	5'	Serpentine as above top 2'. Rest is carbonatized alta (sheared sh & grst).
193'	6.5'	Alta (mostly sheared shale). 3" serpentine at 3'. A few carbonate veinlets.
201'	4.5'	Same as above with some sheared greenstone.
205'	5'	Alta as above, top 3'. Rest is somewhat sheared serpentine.
215'	2.5'	Primarily sheared serpentine.
225'	14'	Primarily massive serpentine.
251'	20'	Massive serpentine with a few shear zones.
288'	4'	Massive serpentine.
304'	4'	Same as above with 6" broken sandstone 2.5' from top.
314'	3.5'	Massive serpentine.
344'	4.5'	Same as above top 1'. Rest is primarily carbonatized arkose with many carbonate veinlets. Zone is badly disturbed.
354'	4.5'	Same as latter part of above, top 2'. Rest is massive serpentine.
364'	No core	
374'	5'	Primarily sheared serpentine.
394'	0.5'	Massive serpentine.
404'	0.5'	Same as above.
414'	6'	Alternating sheared and massive serpentine.
434'	12.5'	Primarily massive serpentine.
456'	7.5'	Same as above with a few dolomite veinlets.
467'	5'	Primarily sheared serpentine with many dolomite veinlets.
474'	3.5'	Carbonatized alta (sheared shale & some serpentine with small amounts of santstone & greenstone). Vein matter negligible.
485'	4.5'	Same as above with no veinlets.
503'	1.5'	Same as above with a few dolomite veinlets.

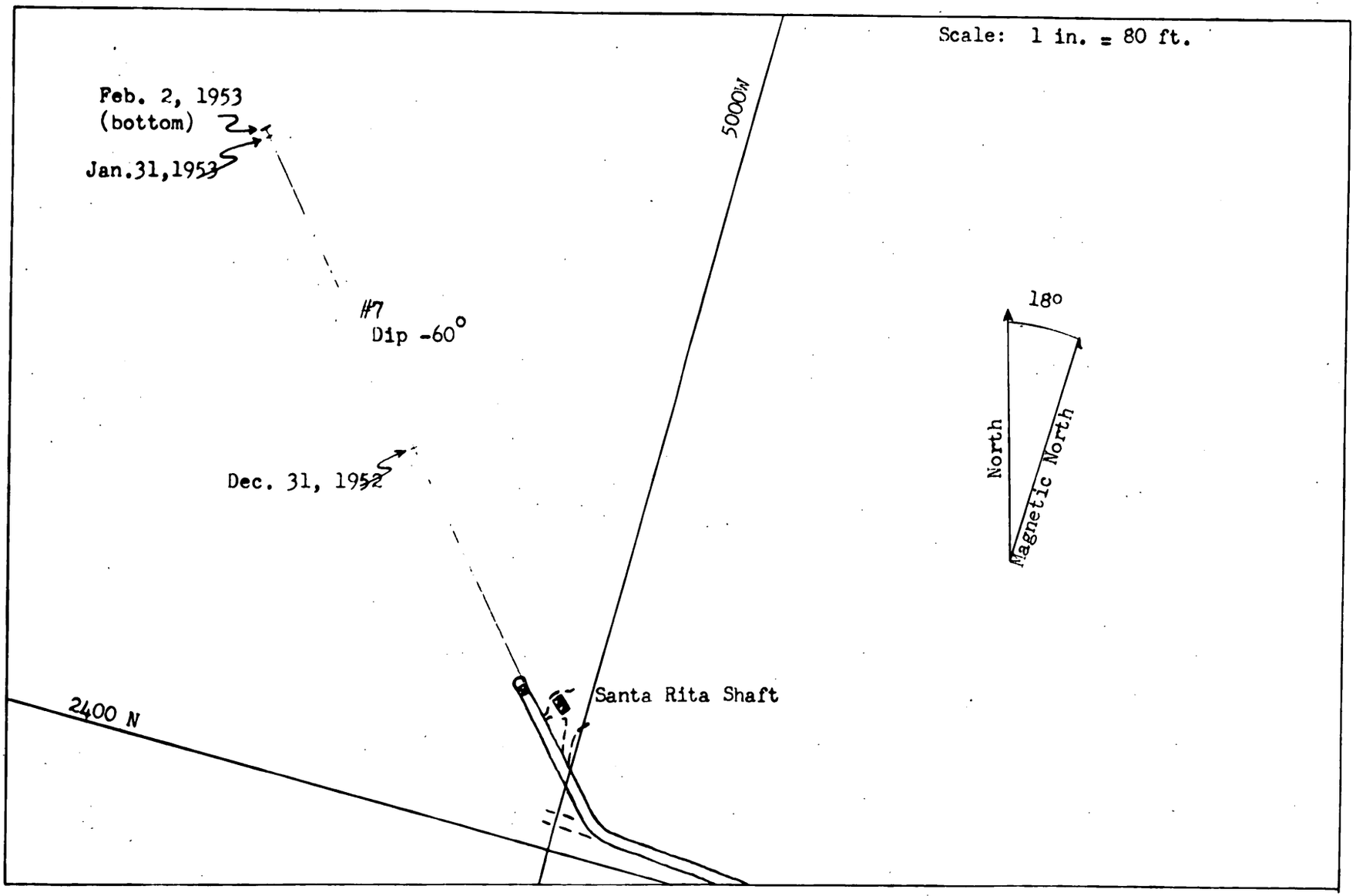
Depth	Recovery	Formation
509'	2'	Primarily compact sheared serpentine with many small dolomite veinlets.
514'	3.5'	Same as above, veinlets decreasing.
534'	3.5'	Carbonatized alta (sheared shale & greenstone, some serpentine and altered tuffaceous sandstone). No veinlets.
542'	1.5'	Same as above (Contains some serpentine? or fine-textured greenstone?).
546'	3.5'	Carbonatized alta (sheared shale & altered tuffaceous sandstone). No veinlets.
550'	4'	Carbonatized alta (sheared shale and greenstone).
559'	2'	Carbonatized graywacke with a little shale. Somewhat deformed.
561'	1.5'	Carbonatized alta (sheared shale, sandstone, & greenstone.
563'	5'	Massive serpentine with some carbonate veinlets.
586'	1.5'	Same as above top 1'. Rest is alta with some quartz-dolomite veinlets.
589'	1'	Pebbles of alta (sheared shale, sandstone & greenstone). Some quartz-dolomite veinlets.
616'	2.5'	Sandstone top 6". Rest is S-C rock with a few dolomite-quartz veinlets & a trace of millerite.
626'	1'	Same as latter part of above.
636'	2'	1.5' of sand (cave). Rest is S-C rock.
641'	5'	S-C rock with some dolomite-quartz veinlets. Some Hematite stain & some jasper. Very little pyrite.
651'	5'	Transitional serpentine-silica-carbonate top 1.5'. Rest is S-C as above.
661'	5'	Same as above. 1' serpentine-silica-carbonate from 1' to 2'.
671'	5'	Same as above with less hematite & very little jasper.
681'	Bottom of hole.	

Hydrofluoric acid survey of hole made Jan. 27, 1953 at a depth of 465 feet. Dip thus determined as 63 degrees. 1 part acid (60%) to 7 parts water gave a clear, smooth etch in 10 hours.

Drillers lost hole at 288'. Drilled new ground from 180'.

Areas of massive serpentine showing poor recovery (see log) are probably interrupted by intensely sheared zones. Thus, the massive serpentine may represent boulders in an otherwise highly sheared serpentine mass.

PLAN SHOWING PROGRESS FROM JANUARY 1 TO FEBRUARY 2, 1953
ON DIAMOND DRILL HOLE NO. 7



CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell

DISTRICT MANAGER APPROVAL:

LOCATION:

DEPARTMENT:

SHEET NO.:

PAY PERIOD ENDING: JAN. 15 1953

Indicate by RFD X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	[illegible]		3	[illegible]																		
	[illegible]			[illegible]			[illegible]	311 [illegible]	311 [illegible]				[illegible]	[illegible]				[illegible]				253 46
	[illegible]		1	[illegible]																		
	[illegible]			[illegible]			[illegible]	[illegible]	[illegible]				[illegible]									147 22
	[illegible]						[illegible]															
	[illegible]			[illegible]			[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]								159 55

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL _____ LOCATION _____ SHEET NO. _____

DISTRICT MANAGER APPROVAL _____ DEPARTMENT _____ PAY PERIOD ENDING JAN. 21 1963

INDICATE BY RED X REIMBURSEMENT OF IMPREST FUND	NAME AND IDENTIFICATION: Social Security Number	Empl. Class.	Withld Deduct Code	DATE AND HOURS	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc,) T-2	Net Amount Paid
	[illegible]		3																			
	[illegible]						[illegible]	[illegible]	[illegible]				[illegible]	[illegible]	[illegible]							253 41
	[illegible]		1																			
	[illegible]						[illegible]	[illegible]	[illegible]				[illegible]	[illegible]	[illegible]							148 28
	[illegible]		5																			
	[illegible]				119		[illegible]		[illegible]					[illegible]	[illegible]							110 53

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

Budget Bureau No. 42-R036.3.
Approval expires 6-30-53.
Defense Minerals Administration

ACCOUNTS JAN 20 1953

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

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $

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

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

Date [illegible] *Payee [illegible]

Per J. Elton Gilbert Title [illegible]

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

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

(Instructions on reverse)

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

$ 5980 91

Signature [illegible]
(Authorized Certifying Officer)

Date [illegible] Vou. No. SF-DMEA-32

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date January 26, 1953

H.C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-[illegible]04A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS JAN 26 1953
Defense Minerals Administration

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

FEB [illegible] 1953

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		[illegible]		[illegible]				Total Costs Authorized by Contract
Operating Equipment Purchased								[illegible]
Initial Rehabilitation and Repairs				[illegible]				
New Buildings, Improvements, etc.								
								[illegible]
Total Costs		[illegible]		[illegible]				[illegible]

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

Date [illegible] Operator [illegible]
Per J. Ellen Gilbert Title [illegible]

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

January 14, 1953

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

re: New Almaden Mine (Cinnabar)
Almaden, San Bernardino County
California

11551 - Contract 1[illegible]-[illegible]-04

Dear Mr. Johnson:

During the month of December No. 7 diamond drill hole was drilled to a depth of 208 feet.

A great deal of trouble was had with the drilling; the hole had to be cemented and recemented several times. Consequently the progress was very slow.

We are enclosing a very brief log of this drill hole and will furnish a detailed geological log when the hole is completed.

We also enclose a sketch map showing the drill hole location, direction and inclination.

In addition to the drilling, two men have been busy repairing and replacing timber in the Jay Tunnel and out to the Santa Rita Shaft area.

Very truly yours,

J. Glenn Gilbert
Manager

JGG:[illegible]
Enc. - Original and 4 copies of letter
" " " " Form CF-104 & [illegible]

5 copies of log
5 " " Sketch Map
5 " " Payroll Summary
Copies of Invoices

N[illegible]

[illegible] 1165[illegible] [illegible]

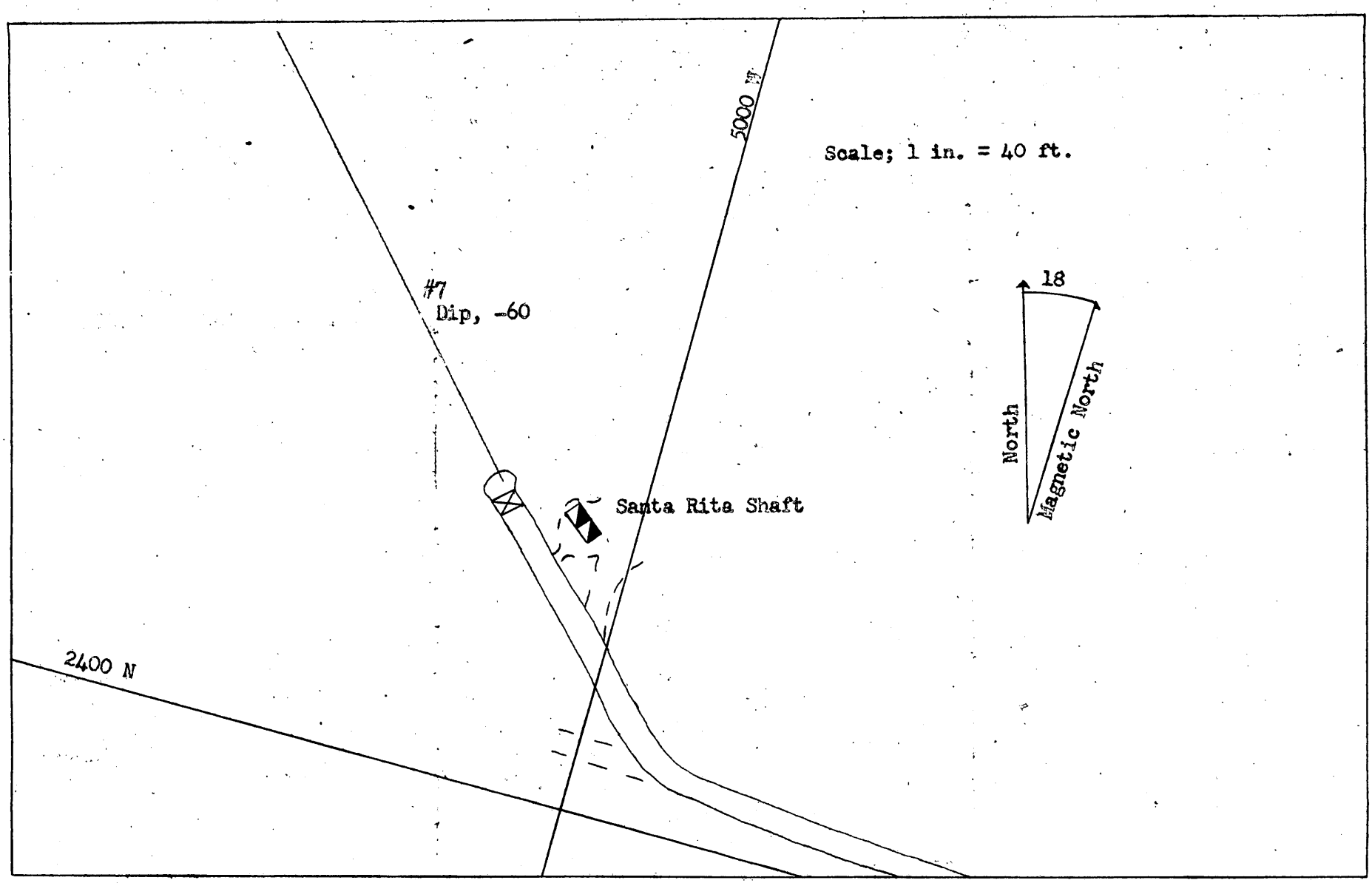
[illegible] No. 7

Brief log by [illegible]. L. Carr,

Depth	Geology
[illegible]'	Serpentine, partially sheared.
133'	Carbonatized alta (sheared shale, greenstone & sandstone).
16[illegible]'	Somewhat sheared serpentine.
1[illegible]0'	Carbonatized alta as at 133'.
20[illegible]'	Sheared serpentine, becoming more massive toward bottom.
2[illegible]'	Bottom of hole to date.

PLAN SHOWING PROGRESS DURING DECEMBER, 1952

ON DIAMOND-DRILL HOLE No. 7



CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
LOCATION: [illegible] Calif.
SHEET NO.
DISTRICT MANAGER APPROVAL:
DEPARTMENT:
PAY PERIOD ENDING: Dec. 15 1952.

Indicate by red X reimbursement of imprest fund	Name and Identification / Social Security Number	Empl. Class.	Withhld Deduct Code	Date and Hours 1–15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	S.H.I. Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	541-63-3484		3																			
	Herbert J.E. Mitchell			Monthly			[illegible]	[illegible] 50			[illegible]				[illegible]						11 75	2?5 25
	541-??-4?69		1					145 50														
	Donald L. Curry			Monthly			365.00	+ 11 00 154 50			195 50				[illegible]						1 06	161 ?4
	5?4-65-?804		5			11	.?5															
	Albert W. McFalland				1?4		1.70	19? 40			19? 40				10							180 20

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: Cumarda Camp
DEPARTMENT:
SHEET NO.
PAY PERIOD ENDING: Dec 31 1952

Indicate by Red X Reimbursement of Imprest Fund	Social Security Number	Empl. Class.	Withld Deduct Code	Dates 16–31	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	Cumarda mine				311 50														
	Herbert J.E. Mitchell			MONTHLY			623.00				311 50				45 00							266 20
	541-22-4269		1	Cumarda mine				184 50														
	Donald L. Curry			MONTHLY			369.00				184 50				31 60							152 90
	564-05-7804			Cumarda mine		8	8.85															
	Albert W. McFarland			XXXXXXXXXXXXXX	104		1.70	183 60			183 60				8 60							175 00

F-104 (Rev.
Jul 1952)
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

ACCOUNTS DEC 30 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

h of JAN 21 1953, 1952 Docket No. DMEA 116 Contract No. [illegible]-04
tor's Name [illegible] Minerals [illegible]
Address 131 University Avenue, Palo Alto, California
ract Amount, $[illegible] Government Participation: 75 % Amount, $150,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Independent Short Form Contracts:						
Drilling		31152.96	31152.96			
Bulldozing						
Crosscutting						
Drifting						
Labor and Supervision:						
Labor	1350.00	15507.35	16857.15			
Supervision	1045.00	13374.00	14419.00			
Technical Services	325.00	1904.21	2229.21			
(3) Operating Mat'ls. and Supplies:						
Timber		614.10	614.10			
Explosives	97.24		97.24			
Pipe		1403.96	1403.96			
Track		2549.04	2549.04			
Other	491.02	5068.32	5559.34			
Power	25.50	430.92	456.42			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1962.71	1962.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	4.62	712.10	716.72			
Liability Insurance	12.34	96.66	109.00			
Operator's Administration	299.46	3573.08	3911.54			
Transportation		34.59	34.59			
(8) Contingencies (specify):						
Computation Geologist	2.50	226.25	228.24			
TOTALS	3445.57	[illegible]	[illegible]			

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

Date 12/15/52 *Payee [illegible]

Per J. Elton Gilbert Title Manager

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

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

(Instructions on reverse)

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

$2599.40

Signature [illegible] Administrative Certifying Officer
(Authorized Certifying Officer)

Date JAN 13 1953 Vou. No. SF-DMEA-31

(See other side)

Geological Services Groups for the Geologists

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idr-164 in accordance with the terms of the contract.

Signature R. C. Johnson R. C. Johnson Title Chief, Mining Div., Region III Date Dec. 23, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. C. Miller W. C. Miller Title Executive Officer DMEA Field Team Region III Date December 30, 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

ACCOUNTS DEC 30 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1953

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

Month of [illegible] 1952 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	[illegible]							
Crosscutting	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts								
Winzes				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								[illegible]
Initial Rehabilitation and Repairs				[illegible]				
New Buildings, Improvements, etc. [illegible]								[illegible]
TOTAL COSTS		[illegible]		[illegible]				[illegible]

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

Date [illegible] Operator [illegible]

Per J. Eldon Gilbert Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
131 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

December 16, 1952

Mr. W. C. Johnson, Chief
Mine Division
Bureau of Mines
P. O. Box 1251
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165A - Contract [illegible]

Dear Mr. Johnson:

During the month of November the last drift to be opened was cleaned up and re-timbered. This drift was also extended 75 feet into first ground, where a new diamond drill station was cut. It was necessary to timber this station in order to make it safe. As soon as it was finished three men were removed from the underground drift crew. This leaves one miner and a working supervisor on underground work. It will be necessary to see, when we are lacing old timber, which was passed by when we opened the Day Tunnel, as long as men are working underground.

Diamond drilling in the general area of the "Mule Barn" was completed, at least, for the present.

These first six underground holes did not find any commercial mineralization.

The drill was moved to the new location near the Santa Rita shaft and No. 7 hole was started. This hole, and subsequent holes, will explore structure "C".

In reply to request of Mr. W. C. Miller, we are furnishing a resume of the work done to date on the Under project. This is complete with general maps, detailed maps, summary of work and summary of drill holes. This Summary will give the location, inclination and depth of each hole. Detailed Diamond Drill hole logs will give the details on the geology. This information is not duplicated in this report.

We hope this will satisfy your needs.

Very truly yours,

J. Elton Gilbert

J. Elton Gilbert
Owner

Enc: - Original and 4 copies of letter
" " " " Form 7-1-4 & 7-1-10A
5 copies of Log
5 photostatic copies of payroll summary
Stamped copy of invoices or copy of original invoice
Maps
Summary of work
Summary of drill holes

NEW ALMADEN INC

DMSA 1165X Idm 1-64

HOLE NO. UGS 11

Logged by W. L. Curry

Coordinates (Approx.) 1640 N 5130 W
Direction N 80° W Down 45°

Date Started Oct. 13, 1952
Date Stopped Nov. 3, 1952

Depth in Feet	Core Recovered	Description
0-5	5'	S-C rock. Few dolomite-quartz veinlets. Slight trace HgS in veinlets. Some pyrite. Streaks of jasper throughout.
5-10	5'	S-C rock as above. Jasper content decreasing to nothing. Slight trace of galena & sphalerite.
10-13	3'	Same as above without galena or sphal.
13-18	5'	Same as above with increase of pyrite. No HgS.
18-23	5'	S-C rock with a few dolom.-quartz veinlets & much pyrite.
23-27	4'	Same as above.
27-31	4'	Same as above with trace of sphalerite.
31-32	1'	Same as above without sphalerite. Trace of HgS.
32-40	4'	Same as above. Cave first 1', Most of core badly broken.
40-46	3'	S-C rock with a few dolom.-quartz veinlets & much pyrite. No HgS.
46-51	5'	Same as above. Some HgS at 50'.
51-54	3.5'	Same as above with no HgS.
54-59.5	5'	Same as above. Trace sphalerite at 55'.
59.5-65	5'	Same as above with no sphalerite. Trace of millerite.
65-70	2'	Same as above. Appears leached at middle. Trace of sphalerite.
70-72	2'	S-C rock with a few dolom.-quartz veinlets & much pyrite.
72-78.5	4.5'	Same as above. Trace of sphal. at top.
78.5-85	5.5'	Same as above without ~~mx~~ sphal. Some apparent leaching.
85-88	2'	Consolidated S-C breccia zone. Much dolom. vein filling.
88-93	4.5'	2.5' of dolomite vein matter, then breccia zone as above. Rest is S-C rock. Some pyrite.
93-98.6	2.5'	S-C rock with dolomite hilos up to 1.5". Some pyrite & some HC matter.
98.6-102	4.5'	S-C rock with a few dolom.-quartz veinlets, much pyrite & some HC matter.
102-144	34.5'	Same as above. Drill runs as follows: 102'-3'; 106'-2.5'; 111'-5'; 116.5'-2'; 119'-2.5'; 123'-5'; 128'-3.5'; 131.5'-1.5'; 133'-5'; 138'-4.5'.
144-154	9'	Appears leached in 1 or 2 spots. Otherwise same as above.
154-158	2.5'	Same as above top 1.5'. Rest is alta.
158-162	2'	Alta top 1'. Rest is S-C rock.
162-172	9'	Alternating carbonatized alta & S-C rock top 5', then S-C rock with alta lenses (thin). Differentiation is difficult. Much pyrite & some ~~Mxxx~~ HC matter.
172-183	10'	Alternating S-C & alta as above.
183-191	6'	Primarily S-C rock first 2.5', then carbonatized alta, with much carbonate in small veinlets, for 2', then 1' S-C rock, then 0.5' alta. Much pyrite.
191-194	2.5'	Alta with many talc-like mineral pods. Much pyrite.
194-198.5	4.5'	Somewhat deformed as top 1'. Rest is alta. Much pyrite.
198.5-208	8'	Carbonatized alta with much pyrite.

208-215	4.5'	3.5' carbonatized alta with white to greenish-white talc-like pods. A few dolom.-quartz veinlets. Then 1' S-C rock. Much pyrite & some HC matter.
215-225	10'	Carbonatized alta as above. Then 1' S-C rock.
225-228	3'	S-C rock with a few dolom.-quartz veinlets & greenish-white talc-like veinlets. Much pyrite & some HC matter.
228-236	7.5'	S-C rock, as above. Porous character at bottom.
236-243	4'	S-C rock, as at 225', but without talc-like veinlets. Exhibits porous character.
243-248	2'	Same as above, badly broken at top & bottom. 1" alta at bottom.
248-254	2.5'	Carbonatized alta with few S-C inclusions & some dolom-quartz veinlets & many small carbonate veinlets. Much pyrite & some white to greenish-white talc-like matter.
254-258	2'	Same as above.
258-268	10'	Same as above to 266'. Rest is S-C rock with some dolom. veinlets. Some pyrite & HC matter. Some sphalerite & galena at bottom.
268-273	4'	S-C rock first 1'. Rest is alta as at 248'/ Some sphalerite & galena thruout. Some HC & much pyrite thruout.
273-276	2'	Alta as above, top half. Rest is S-C rock with much pyrite & a 1" dolomite veinlet.
276-282	6'	S-C rock with very few dolom-quartz. Some pyrite & HC matter.
282-290	7.5'	Carbonatized &/or silicified alta to 286', with many fine CO3 veinlets & very few dolom.-quartz veinlets, some pyrite. Rest is primarily S-C rock with few dolom-quartz veinlets, some pyrite & HC matter.
290-293	2.5'	S-C rock or highly silicified sedimentary rock. A few dolom-quartz veinlets, some HC, & much pyrite.
293-300	6.5'	S-C rock with a few dolom.-quartz veinlets (one 1/2" veinlet at 299'), some pyrite & HC.
300-305	3'	Same as above.
305-309	2.5'	Apparently intimate mixture of S-C rock & highly siliceous alta. A few dolom.-quartz veinlets. Some pyrite & HC matter.
309-319	8.5'	Extremely silicified alta to 315', carbonatized from there on. Apparent sandy texture at 311'. A few dolom.-quartz veinlets (abundant nr. bottom). Some pyrite & HC matter.
319-326	3'	Carbonatized alta as above. No HC.
326-327.5	1.5'	Same as above.
327.5-334	5.5'	Same as above to 333'. Rest is S-C rock & alta in intimate mixture. Dolomite veinlets abundant bottom 2'. Trace of millerite & some pyrite.
334-339	3.5'	Mostly carbonatized alta with a little S-C rock. One 6 1/2" dolomite veinlet running parallel to core. Some pyrite. S-C rock last 6".
339-345	5'	S-C rock at very top. Alta with some S-C inclusions to 343'. Rest is S-C rock with some alta. Latter has breccia zone dominant at bottom, & is filled with dolomite & quartz. Much pyrite.
345-354	8'	Dolom.-quartz filled S-C breccia first 3". Rest is S-C rock with a few dolom.-quartz veinlets, much pyrite & traces of HC matter & sphalerite.
354-361	5'	Same as above without sphalerite.
361-368	4.5'	Same as above for 2.5'. Rest is carbonatized alta with a few dolom.-quartz veinlets & white to greenish-white talc-like matter. Much pyrite & some HC Matter.

368-380	7'	Alta, top 6", then 1' S-C rock. Rest is alternating S-C rock and alta. Some pyrite.
380-389	10'	Alta top 2', then 4' compact arkose with very few veinlets or little pyrite. Then 2' alta with many 1/4" dolomite veinlets. Last 2' is S-C rock.

389 Bottom of hole.

NEW ALMADEN MINE
DMEA 1165X Idm E-64
HOLES NO. 111 & 1V

Logged by J.L.Curry

Coordinates (Approx.)	1525 N	5020 W		Date Started	Nov. 4, 1952	No. 111
Direction	S 43 E	No. 111			Nov. 5, 1952	" 1V
	S 43 E	" 1V		Date Stopped	Nov. 5, 1952	" 111
	-23°15'	" 111			Nov. 6, 1952	" 1V
	+9°30'	" 1V				

Depth in Feet	Core Recovered	Description UGS No. 111
0-6	6'	S-C rock with a few streaks of alta. A few dolom.-quartz veinlets & some pyrite.
6-10	3.5'	Same as above top 1.5'. Rest in silicified alta.
10-14	3'	Extremely silicified alta (very cherty) top 1.5'. Rest is silicified &/or carbonatized tuff (very fine texture). Highly deformed before silic. Much pyrite.
14-19	4'	Carbonatized tuff as above. Much pyrite.
19-24	2.5'	Extremely silicified sediments (cherty with jasper). Very much pyrite.
24'	Bottom of hole.	

		Description UGS No. 1V
0-5	5'	S-C rock. Few dolom.-quartz veinlets (one 1/4" dolom. veinlet at 2'). Some pyrite & millerite. Some leaching evident with limonite prominent.
5-10	5'	Same as above with less leaching. Some sandy appearing inclusions from 5-8'. Some HC in 1/4" dolom. at 9'.
10-15	5'	S-C rock. Some dolom.-quartz veinlets. Appears to be a few alta stringers from 14'-15'. Some limonite along leached areas. Some pyrite & millerite.
15-19	4'	Primarily S-C rock. Some portions appear to be sedimentary in origin. Few small dolom.-quartz veinlets, trace of HC, some millerite, & much pyrite.
19-27	8'	S-C rock with a few dolom.-quartz veinlets, some millerite, trace of HC, much pyrite. A little limonite. Much leaching at 24'.
27-37	10'	Same as above. Leaching last 1'. Decrease in limonite.
37-45	7.5'	Same as above with little leaching or limonite.
45-51	6'	Same as above.
51-57	5.5'	Same as above with no HC & some leaching.
57-62	5'	Same as above top 3.5'. Similar to S-C rock described at 15' last 1.5'. Two 1/4" dolomite veinlets near 60'. Core badly broken last 1'.
62-72	8.5'	S-C rock with few dolom.-quartz veinlets & some pyrite.
72-81.5	6'	First 4.5' is S-C rock (?) of questionable origin - is very porous. Last 2' appears to be a complex mixture of S-C rock & highly silicified ss. A few dolom.-quartz veinlets & some pyrite.
81.5-90.5	8.5'	S-C rock. Some dolom.-quartz veinlets tending to parallel the core. Some pyrite.
90.5'-101	10'	S-C rock. Some highly silicified &/or carbonatized ss parallels core (& S-C) from 91' to 95'. A few dolomite-quartz veinlets & some pyrite. One color HgS at 100'.
101'	Bottom of hole.	

Summary: Hole seems to brush contact in several spots, especially at 91'-95'.

NEW ALMADEN MINE
DMSA 11651 Idm E-64

HOLE UGS No. V

Logged by D. L. Curry

Coordinates (Approx.) 1635 N 5107 W
Direction S 75 E +6°

Date Started November 8, 1952
Date Stopped November 17, 1952

Depth in Feet	Core Recovered	Description
0-7	7'	S-C rock. A few dolom.-quartz veinlets. Some pyrite. Traces of HgS. Core broken 4-6'. Limonite stain in fractures.
7-13	1'	Same as above. Core badly broken at bottom.
13-16	3'	Same as above. Traces of disseminated HgS & very much pyrite (bottom 1').
~~16-18~~	~~2'~~	
16-18	2'	S-C rock with a few dolom.-quartz veinlets. Very much pyrite. Traces HgS, especially in veinlets. Some limonite along fractures.
18-19	0.2'	S-C pebbles (possibly cave).
19-21	2'	S-C rock with few dolom.-quartz veinlets. Some pyrite. Traces of HgS. Some limonite along fractures.
21-22	1'	Same as above. More limonite accompanying increased breakage.
22-31	6.5'	S-C rock with a few dolom.-quartz veinlets (1/2" qtz. vein. at 3' & a 1" qtz. vein. at 3.5'. Trace of HgS top 1'. Much limonite top 5'. Increase in pyrite content last 1.5'.
31-32	1'	Same as last 1.5' above. No HgS.
32-38	6'	S-C rock with a few dolom.-quartz veinlets (a 41" dolom.-quartz veinlet at 36.5'). Broken zone with limonite stain at bottom. Slight trace HgS at top. Some pyrite.
38-48	9'	S-C rock with a few small dolom.-quartz veinlets & 5 or 6 ±1" dolom.-quartz veinlets dispersed throughout length of core. Some pyrite. No HgS.
48-53	5'	S-C rock with a few small dolom.-quartz veinlets & 3 or 4 ± 1" dolom.-quartz veinlets. One dominantly dolomite veinlet paralleling core from 49.5' to 52'. Much pyrite. Very slight trace of chalcopyrite. Slight trace HgS.
53-63	10'	S-C rock with a few dolom.-quartz veinlets plus 5 or 6 ± 1/2" veinlets, especially at top of core. Much pyrite. No HgS.
63-66.5	3.5'	Same as above with 5 or 6 ± 1/4" dominantly quartz veinlets.
66.5-74.5	7'	Same as above with a few dolom.-quartz veinlets smaller than 1/4". Trace of millerite.
74.5-84	10'	S-C rock with several ± 1" dolomite veinlets. Much pyrite & a slight trace of millerite. Vugs at 76' & 81'.
84-88	4'	S-C rock with a few dolom.-quartz veinlets. Vugs at 86'. Much pyrite.
88-98	9'	Same as above. Vugs throughout. Some porous rock & limonite, especially top 4.5'
98-100	2'	Same as above with no limonite, less pyrite, & some HC.
100-110	10'	S-C rock with a few dolom.-quartz veinlets (increase in number & size from 106' to 110'). Occasional fractures with accompanying limonite. Some pyrite.
110-120	10'	S-C rock. Much limonite top 5'. Many dolom.-quartz veinlets (-3/4" in size). Traces of millerite. Some pyrite. Specks & stringers of hematite.
120-125	5'	Same as above without limonite or millerite. Rock becomes very light in color last 2', & contains many hematite stringers.
125-135.5	10.5'	S-C rock with a few dolom.-quartz veinlets & some pyrite. Some

135.146	9.5'	S-C rock with a few dolom.-quartz veinlets & some pyrite. Porous & broken zones at 136', 137', & 141'. Structureless rock containing many hematite stringers last 6'.
146-147	1'	Same as latter part of above.
147-153	2.5'	Same as above.
153-158	2.5'	S-C rock with a few dolom.-quartz veinlets & much pyrite.
158-162	4.5'	Same as above. Jasper quite prominent at middle of core.
162-167	5'	Same as above, without jasper. Broken last 6".
167-170	3'	Same as above. 1/2" dolom. veinlet at 168'. Broken last 6".
170-172	2'	S-C rock with a few dolom.-quartz veinlets & much pyrite. Some streaks of jasper. Somewhat broken at bottom.
172-177	5'	Same as above.
177-182	5'	Same as above. Broken up at 180' & bottom. Slight trace HgS at top.
182-187	5'	S-C rock with a few dolom.-quartz veinlets & much pyrite. Much jasper at top & especially at bottom. Trace HgS at top & bottom (disseminated bottom 1').
187-192	5'	S-C rock with a few dolom.-quartz veinlets & pyrite. Trace of disseminated HgS top 1'. Moderate jasper content at the top.
192-197	5'	Same as above with no HgS & no jasper. 3/4" dolom.-quartz veinlet at 197'.
197-202	4'	Same as above with leaching at 199' & bottom 1'.
202-212	9.5'	S-C rock with a few dolom.-quartz veinlets & much pyrite. Rock has a porous character in spots.
212-222	10'	Same as above. Trace of HgS (partially disseminated) accom. by high jasper content at 214' to 216' & at 220'. Last 1' has much jasper & some serpentine. Hematite is common in jasper areas. Slight amount of millerite. 1/2" dolom.veinlet (with asbestos character) parallels core last 1'.
222-232	10'	Same as last 1' of above to 223'. Rest is massive serpentine with many CaB veinlets.
232-242	10'	Same as latter part of above to 235'. Rest is transitional Sp-S-C. One partially carbonatized asbesto veinlet parallels core from 237' to 240'.
242-252	10'	Same as latter part of above (varying degrees of transition). Some partially carbonatized asbestos in veinlets.
252-262	10'	Same as above.
262-272	10'	Same as above to 267'. Rest is serpentine with many CaB veinlets.
272'	Bottom of hole.	

NL ALBANY [illegible]
U.S.A. 1165X Jan 2-64

HOLE NO. UGS V1

Logged by J. T. Curry

Coordinates (Approx.)	1635 N	5107W	Dated Started Nov. 19, 1952
Direction	S 70 E	-25°	Date Stopped Nov. 26, 1952

Depth in Feet	Core Recovered	Description
0-9	8'	S-C rock with a few dolom.-quartz veinlets & some pyrite. Some HgS (high-grade strin er ± 1/4" at 3'). Fractures with limonite stain at 4', 6', & bottom.
9-15	5.5'	S-C rock with a few dolom.-quartz veinlets (1/2" veinlet at 12'). Some pyrite. No HgS. Some fractures with limon.
15-17	1.5'	Same as above. 1/2" dolom.-quartz veinlet at top. Much pyrite.
17-20	2.5'	Same as above. Top 1' is broken up.
20-25	4'	Same as above. Center 1' is broken up.
25-27.5	2.5'	S-C rock as above. Broken at center.
27.5-29.5	2'	S-C rock as above. Broken at bottom. Trace of sphalerite & galena.
29.5-41	10'	S-C rock with a few dolom.-quartz veinlets, much pyrite, & a trace of millerite. Broken zone with limonite stain at 34'.
41-50	9'	Same as above. 3/4" dolom.-quartz veinlet at 46'. Ver slight trace of HgS at 46'.
50-55	3'	S-C rock with ver few dolom.-quartz veinlets, some pyrite & some millerite. Some limonite stain top 1'.
55-58	3'	S-C rock as above.
58-63	5'	S-C rock with a little alta along some shear planes. A few dolom.-quartz veinlets, some pyrite, millerite, & H.C.
63-68	4.5'	Same as above with several 1/4" to 1/2" dolom.-quartz veinlets last 2'.
68-71	1'	S-C rock as above top 6". Rest is carbonatized alta with many small CaS veinlets.
71-73.5	0.5'	Alta as above.
73.5-80	6'	Carbon. alta with many fine CaS veinlets. Some white to greenish-white talc-like inclusions & stringers. A little pyrite, especially at bottom.
80-89	6.5'	1' alta as above, poorly consolidated at bottom. Rest is carbonatized, coarse-grained sheared arkose. Some pyrite & very few dolom-quartz veinlets.
89-97	6'	Arkose as above with very few veinlets. Broken up at 92'. Bedding, where not sheared badly, parallels the core in last 2'. Some pyrite.
97-107	10'	Same as above with some finer-grained ss from 98' to 99'. Bedding nearly parallels core. 2" of extremely silicified alta alta at the bottom of the core.
107-113	3.5'	Arkose as above. 4" of alta-like material at 111'. Sandstone (arkose, as above. Bedding tends to parallel core.
113-119	5'	Arkose as above. 4" of alta-like material at 11[illegible]'.
119-122	2'	Arkose as above (carbonatize or silicified), some finer-grained ss in spots. The top 6" contains cherty bands (irregular) &

		& some greenstone.
122-126.5	4.5'	Carbonatized or silicified, coarse-grained sheared arkose. A few dolom.-quartz veinlets, some pyrite. Extreme shearing bottom 1', where core is badly broken up.
126.5-133	5'	Carbonatized or silicied, coarse-grained moderately to highly sheared arkose with shale & greenstone inclusions. Some pyrite. A few dolom.-quartz veinlets. Core is broken at bottom.
133-137	2.5'	Same as above, with only moderate shearing.
137-140.5	2'	Same as above, shearing more pronounced. Badly broken last 1'.
140.5-143	1'	Same as at 133'.
143-146	1.5'	Same as above.
146-153	5'	S-C rock (?) top 1.5', then 1.5' highly silicified alta (mostly ss). Last 2' is ss as above.
153-156.5	3'	1' arkose as at 133'. Rest of core is extremely silicified (cherty & jaspery) breccia. Original character of the latter is completely masked. Some silica veinlets, much pyrite, & some HC matter.
156.5-160	2'	Same as latter part of above.
160-163	1.5'	Same as above, without brecciation but with moderate deformation. Original sedimentary texture occasionally noticeable.
163-168	5'	Same as above. Many dolom.-quartz veinlets bottom 1'.
168-177	7'	Extremely silicified (cherty) moderately to highly deformed undifferentiated sedimentary rock. A few dolom.-quartz veinlets & much pyrite. A prominent broken zone from 3' to 5' with dolom.-quartz filling. Much HC matter.
177-183	5.5'	Same as above. ~~WITH~~ Some of core exhibits sandy texture & gives a much less cherty appearance. Bedding about 15° to 20° off direction of core.
183-190	6'	Primarily extremely silicified undeformed ss with bedding at about 15° to 20° off direction of core. Some cherty rock as at 168' at top & bottom. A few dolom.-quartz veinlets, some pyrite & some ~~#~~ HC matter.
190-193	2'	Extremely silicified undeformed ss with occasional cherty undeformed sedimentary areas. A few dolom.-quartz veinlets, some pyrite, & some HC matter. Bedding at 15°.
193-203	9.5'	Extremely silicified undifferentiated sedimentary rocks, mostly undeformed, but with some highly deformed areas. Silicification most complete in disturbed areas. Bedding at 15° to 30° of core. A few dolom.-quartz veinlets, much pyrite, & some HC matter.
203-208	2'	Same as above, though more highly distrubed. Bedding at 15° to 20° of core. Much dolom.-quartz vein matter bottom 6". Much pyrite, & some HC matter.
208-214	2'	Same as above. Some silicified greenstone tuff at bottom of core.
214-224	9'	Same as above (most ss) top 2.5'. Then 2' white brecciated tuff grading to greenstone tuff last 5'. Tuff is partially silicified.

224' Bottom of hole.

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: [illegible signature]

DISTRICT MANAGER APPROVAL:

LOCATION: [illegible]

DEPARTMENT:

SHEET NO.:

PAY PERIOD ENDING: Nov. 15 1952

Social Security Number / Name	Empl. Class.	Withld Deduct Code	Date and Hours (1–15)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	P	Net Amount Paid
541-03-3454		3														
Herbert J.E. Mitchell			MONTHLY			605.00	302.50			302.50				45.[illegible]	4.[illegible]	252.25
541-03-3498		2														
Douglas Gardelius			MONTHLY			440.00	220.00			220.00				33.[illegible]	3.[illegible]	182.12
541-22-4267		1														
Donald L. Curry			MONTHLY			358.[illegible]	179.00	179.00					2.69	30.00	1.06	145.25
555-36-5065		1			24	.85										
Stanley H. Mitchell			[illegible]	104		1.70	197.20	176.80	20.40				2.96	34.00		160.24
556-01-7643		2			24	.85										
Walter L. Kobb				104		1.70	197.20	176.80	20.40				2.96	28.50		165.74
514-05-7504		5			24	.85										
Albert W. McFarland				104		1.70	197.20	176.80	20.40				2.96	11.[illegible]		182.44

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL _____ LOCATION _____ SHEET NO. _____

DISTRICT MANAGER APPROVAL _____ DEPARTMENT _____ PAY PERIOD ENDING Nov. 30 1952.

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification	Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
		546-03-3484		3	[illegible]																																
	Herbert J.E. Mitchell				MONTHLY																	165.00	302.50			302.50				45.30							257.20
		546-03-3478		2	[illegible]																																
	Douglas Pardelius				MONTHLY																	440.00	220.00			220.00				33.00							186.10
		541-22-4269		1	[illegible]																																
	Donald L. Curry				MONTHLY																	358.00	179.00			179.00				30.00							149.00
		558-36-8065		1	[illegible]																8	.85															
	Stanley H. Mitchell				= 99 99 99 = 00 00 = 00 =															88		1.70	156.40			156.40				26.00							130.40
		556-01-7643		2	[illegible]																8	.85															
	Walter L. Webb				VACATION =															48		1.70	81.60			81.60				6.00							81.70
		564-05-7804		5	[illegible]																8	.85															
	Albert W. McFarland				= 88 88 88 = 88 88 = 88 =															88		1.70	156.40			156.40				3.80							152.60

MI 604 (Rev.)
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense (Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEC 12 1952
15

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 2, 1952 Docket No. DMEA 1165X Contract No. Idaho-64
Operator's Name 57 Post Street, San Francisco 4, California Minerals Mercury
Address
Contract Amount, $ 200,000.00 Government Participation: 75 % Amount, $ 150,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2932.40	31220.16	34152.96			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1506.40	14000.95	15507.35			
Supervision	1045.00	12329.07	13374.07			
Technical Services	416.01	1488.20	1904.21			
(3) Operating Mat'ls. and Supplies:						
Timber	228.58	8685.52	8914.10			
Explosives	347.22	1056.74	1403.96			
Pipe		2549.24	2549.24			
Other	270.84	4897.48	5168.32			
Power	18.93	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		1362.71	1362.71			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	54.61	657.69	712.30			
Payroll Taxes	11.34	85.32	96.66			
Liability Insurance	351.94	2521.10	2873.04			
Workmen's Comp. Insurance						
Transportation		34.59	34.59			
(8) Capitalization Ins.	72.75	151.50	224.25			
TOTALS	7264.47	81553.57	88819.04			

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

Date 11/10/52 *Payee [illegible]

Per S. [illegible] Title Vice-President

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

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

*Includes Services and Overhead Geologists

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

$5442.35

Signature
(Authorized Certifying Officer)

Date DEC 3 1952 Vou. No. SF-DMEA-28

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Mining Methods Date November 24, 1952.
George H. Colvin, Jr.
Research Engr.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date Dec. 2, 1952
H. C. Miller
DMA Field Team
Region IXT

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

n MI-504A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of OCTOBER 1952 Docket No. DMEA [illegible]
Operator's Name [illegible]
Address [illegible]

Contract No. [illegible]
Minerals [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting		4323.67	45'	53293.37	2745	Feet		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core		[illegible]	503'	36152.96	5584	[illegible]	[illegible]	6.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		7256.67		97446.33				Total Costs Authorized by Contract
Operating Equipment Purchased								3192.00
Initial Rehabilitation and Repairs				1363.71				
New Buildings, Improvements, etc.								[illegible]
Total Costs		7256.67		[illegible]				[illegible]

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

Date 11/24/52 Operator [illegible]

Per S. H. Williston Title Vice President

Remarks:

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

(Instructions on reverse)

(For Government use only)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
DEC 12 1952

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

November 3, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

11651 - Monthly Report

Dear Mr. Johnson:

Progress of the mine at the New Almaden Mine for the month of October is as follows:

The first underground drill hole was drilled at:

Coordinates - Approximately 1635 N
5110 E
+ 700 S

Direction
Inclination -75°

to a depth of 114 feet.

The log on the hole is enclosed.

Underground drill hole No. 2, at the same coordinate location, heading N 80 W and inclinated at 45°, had reached 354 feet by the end of the month. No cinnabar had been found. The log for this hole will be included with next month's report.

The work of reopening the drift around to the Santa Rita site for the drilling of Area D is continuing. The ground is heavy and progress has been slow. Approximately 25 feet remains to be opened.

Very truly yours,

J. Elden Gilbert
Manager

JEG:L
Enc. - Original and 4 copies of letter
" " " " " Form MF-104 & 104A
5 copies of log
5 photostatic copies of Payroll Summary
Stamped copy of invoices or copy of original invoice

Dr. Lloyd W. Staples, Geologist, worked three days on

3/26ths of $625.00 = $72.12

NEW ALMADEN MINE

DMEA 1165-X Idm E-64

HOLE NO. UGS #1

Logged by D. L. Curry

Coordinates (Approx.) 1635 N 5110 W
Direction S 70° E -75°

Date Started Oct. 2, 1952
Date Stopped Oct. 10, 1952

Depth in Feet	Core Recovery	Formation
0-5	5'	S-C rock with some low-grade cinnabar & some pyrite. Few small quartz & dolom. veinlets.
5-8	3'	Same as above without cinnabar.
8-13	5'	" " " with a trace HgS in dolom. hilo (8'-9').
13-18	5'	S-C rock with some pyrite & a few dolom. hilos. Trace of galena & sphalerite in hilos near top of core.
18-23	5'	S-C rock with very few dolomite hilos. Some quartz stringers & much pyrite.
23-27	4'	Same as above. Slight trace of hydro-carbon matter. Trace of galena & sphalerite last 1'.
27-32	5'	S-C rock. Few dolom. hilos (including one 1/4" wide last 1.5'). Trace of galena & sphalerite at top & bottom. Much pyrite & trace of HC matter.
32-37	5'	S-C rock. Few dolomite hilos (containuation of 1/4" hilo top 1.5'). Much pyrite. Much HC matter last 3.5'.
37-41.5	5'	Same as above with small hilos. Some millerite at 39'. One inch alta at bottom of core.
41.5-47	5.5'	Alta, first 1.5', then 1' deformed ss. Rest is alta. Some pyrite. Many quartz & dolomite veinlets.
47-52	5'	Alta, as above.
52-57	5'	Same as above first 2'. Rest is extremely fine textured grst. tuff with some pyrite & few dolomite veinlets.
57-62	3.5'	Grst. tuff first 6". 1' deformed, coarse ss. 1.5' extremely silicified tuff, then 6" extremely silicified sh. Much pyrite last 2'.
62-67	5'	Extremely silicified alta (?). Few dolomite veinlets. Some HC matter & much pyrite.
67-70	3'	Same as above.
70-75	4'	Extremely silicified fine sediments & tuff with zones of moderate to high deformation separated sharply by nearly equal zones of no noticeable deformation (lamination is conspicuous in the latter). Few dolomite veinlets, some HC matter & much pyrite.
75-80	4.5'	Extremely silicified sediments & tuff showing low to moderate deformation & lamination. Some quartz & dolomite veinlets. Stibnite stringer up to 1/4" wide from 77.5'-78.5'.
80-85	4'	Similar to 70-75' zone.
85-90	4'	Similar to 70-75' zone. Deformation not extreme.
90-95	5'	Same as above.
95-100	4'	" " " with little distrubance & little HC.
100-105	5'	" " "
105-109	3.5'	" " " first 1'. Most of rest of core is the same but without silicification. No HC matter.

HOLE #UGS 1

109-114	4'	Same as above, silicified at very top, unsilicified next 1'. Rest is extremely silicified after moderate disturbance.

Remarks: Most of the "extremely silicified" rock above exhibits the physical characteristics of chert and might more aptly be termed same. However, the original structure and, to a lesser extent, the texture has been well preserved.
The water was lost early and was never regained for any length of time during drilling. Thus, solution channels of some sort are quite prevalent.

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: [illegible] LOCATION: [illegible]
DISTRICT MANAGER APPROVAL: DEPARTMENT:
SHEET NO.
PAY PERIOD ENDING: Oct 15 1952

INDICATE BY RED X REIMBURSEMENT OF IMPREST FUND	NAME AND IDENTIFICATION: Social Security Number	Empl. Class.	Withld Deduct Code	DATE AND HOURS: 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reg. Hours (B&D)	Over. Hours (C&E)	EARNINGS: Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	DEDUCTIONS: State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	GROUP HINS. P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	[illegible]																																
	Herbert J. E Mitchell					McNTHLY															65.00	302	50		302	50			45	30			4	55			252	25
	546-03-3478		2	[illegible]																																
	Douglas Gardelius					McNTHLY															440.00	220	00		220	00			33	90			3	98			182	12
	541-22-4269		1	[illegible]																																
	Donald L. Curry					McNTHLY															358.00	179	00		179	00			30	00			1	06			147	94
	558-36-8065		1	[illegible]																16	8½															
	Stanley H. Mitchell			8	8	8	8	=	8	8	8	8	8	8	=	8	8	8	104		1.65	184	80		184	80			31	60							153	20
	556-01-7643		2	[illegible]																16	8½															
	Walter L Webb			8	8	8	8	=	8	8	8	8	8	8	=	8	8	8	104		1.65	184	80		184	80			26	10							158	70
	564-05-7804		5	[illegible]																16	8½															
	Albert W. McFarland			8	8	8	8	=	8	8	8	8	8	8	-	8	8	8	104		1.65	184	80		184	80			9	40							175	40

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL _____ LOCATION _____ SHEET NO. _____

DISTRICT MANAGER APPROVAL _____ DEPARTMENT _____ PAY PERIOD ENDING Oct 31 19[illegible]

INDICATE BY RED X REIMBURSEMENT OF IMPREST FUND	NAME AND IDENTIFICATION: Social Security Number	Empl. Class.	Withld Deduct Code	DATE AND HOURS	Reg. Hours (B&D)	Over. Hours (C&E)	EARNINGS: Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	DEDUCTIONS: State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3																			
	HERBERT J.E. MILLER			MONTHLY			[illegible]	[illegible]			302 [illegible]				45 [illegible]							257 20
	546-03-3478		3																			
	DOUGLAS BARDELL			MONTHLY			[illegible]	[illegible]			[illegible]				[illegible]							186 10
	541-99-4269		1																			
	DONALD L. CURLY			MONTHLY			[illegible]	199 [illegible]			199 [illegible]				[illegible]							149 [illegible]
	558-36-8065		1			11	[illegible]															
	STANLEY H. MILLER			[illegible]	112		11.5	19[illegible]			1.4 [illegible]	1. [illegible]			24 [illegible]							164 [illegible]
	556-01-7642		3			11	[illegible]															
	WALTER L. RIBI			[illegible]	112		11.5	19[illegible]			1.4 [illegible]	1. [illegible]			25 50							167 50
	564-05-7804		5			11	[illegible]															
	ALBERT W. MCDANIEL			[illegible]	112		11.5	19[illegible]			1.4 [illegible]	1. [illegible]			11 [illegible]							186 20

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 23 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1952 Docket No. DMEA 1165K Contract No. Idm-3-64

Operator's Name [illegible] MINING COMPANY Minerals [illegible]

Address 57 POST ST. [illegible], SAN FRANCISCO 4, CALIFORNIA

Contract Amount, $ 200,000.00 Government Participation: 75 % Amount, $ 150,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		31220.16	31220.16			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1139.75	12861.20	14000.95			
Supervision	1045.00	11284.09	12329.09			
Technical Services	96.15	1392.05	1488.20			
(3) Operating Mat'ls. and Supplies:						
Timber	202.86	8482.66	8685.52			
Explosives	349.31	707.43	1056.74			
Pipe		2549.84	2549.84			
Track	360.60	4536.88	4897.48			
Other Power	18.12	393.72	411.84			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1362.71	1362.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	30.34	657.15	687.49			
Payroll Taxes	11.34	73.98	85.32			
Liability Insurance	328.44	2262.70	2591.14			
Workmen's Compensation		34.59	34.59			
Transportation						
(8) Contingencies (specify): Hospitalization Ins.	151.50		151.50			
TOTALS	3733.41	77819.16	81552.57			

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

Date 10/19/52 *Payee [illegible] MINING COMPANY

[illegible] Eldon Gilbert Title Manager

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

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

(Instructions on reverse)

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

$ 2800.06

Signature A. J. Renner
Authorized Certifying Officer
(Authorized Certifying Officer)

Date OCT 24 1952 Vou. No. SE-DMEA-23
(See other side)

Includes Services and Charges for Outside Geologists

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: [illegible]

Signature [illegible] Title [illegible] Date [illegible]

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 1165X Contract No. Idm-S-64
Operator's Name CONORO MINING COMPANY Minerals TUNGSTEN
Address 57 POST STREET, SAN FRANCISCO 4, CALIFORNIA

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting		3733.41	1200'	48969.70	2700'	18.14	Foot	39.27
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core				31220.16	5081'	6.14	Foot	6.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		3733.41		80189.86				Total Costs Authorized by Contract
Operating Equipment Purchased								3192.00
Initial Rehabilitation and Repairs				1362.71				
New Buildings, Improvements, etc. Rent equipment								2208.00
Total Costs		3733.41		81552.57				5400.00

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

Date October 15, 1952 Operator CONORO MINING COMPANY

Per J. Elton Gilbert Title Manager

J. Elton Gilbert

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

Remarks:

(Instructions on reverse)

(For Government use only)

ACCOUNTS OCT 17 1952

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

October 13, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-2-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of September is as follows:

During the month the Day Tunnel was opened and repaired to the drilling site about 2500 feet from the portal of the Day Tunnel and the plug near the Santa Rita Shaft was attacked. There is about 70 feet of ground which might be completely down in this area.

We have now opened a total of 2730 feet of drifts and cross cuts.

During the last week of the month the drilling crews arrived and started to set up in the first drill location which is known as the "Mule Barn". This is an enlarged area in the Day Tunnel and it will require work on our part to timber this station and make it possible for them to drill there.

Very truly yours,

J. Eldon Gilbert
Manager

JEG:L

Enc. Original and four copies of letter
" " " " " Form MF-104 & 104A
Five photostatic copies of Payroll Summary
Stamped copy of invoices or copy of original invoice

Dr. Lloyd U. Staples, Geologist, worked 4 days or

4/26ths of $625.00 (Regular Monthly Salary) = $96.15

Donald L. Curry, Resident Geologist, worked 6 days applicable to this Report.

6/26ths of $358.00 (Regular Monthly Salary) = $110.15

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: [illegible]
DISTRICT MANAGER APPROVAL:
LOCATION:
DEPARTMENT:
SHEET NO.:
PAY PERIOD ENDING: SEPT. 15 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	Group H. Ins. R	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484	3		[illegible]																		
	Herbert J. E. Mitchell			MONTHLY			165.00	302 50			302 50				45 30			4 95				252 25
	546-03-3418	2		[illegible]																		
	Douglas Gardelius			MONTHLY			440.00	220 00	220 00					3 30	33 90			3 98				178 82
	558-36-8065	1		[illegible]		8	8½															
	Stanley H. Mitchell			= 8 8 8 8 8 = 8 8 8 8 8 8 = 8	96		16.5	165 00	158 40	6 60			1 65	2 48	27 60							133 27
	556-01-7613	2		[illegible]		8	8½															
	Walter L. Robb			= 8 8 8 8 8 = 8 8 8 8 8 8 = =	88		16.5	151 80	145 20	6 60			1 52	2 28	18 90							129 10
	564-05-7804	5		[illegible]		8	8½															
	Albert W. McFarland			= 8 8 8 8 8 = 8 8 8 8 8 8 = 8	96		16.5	165 00	158 40	6 60			1 65	2 48	5 40							155 47

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: [illegible] LOCATION: Cordero Mine SHEET NO.

DISTRICT MANAGER APPROVAL: DEPARTMENT: PAY PERIOD ENDING: Sept. 30 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	Cordero Mine			605.4															
	Herbert J. E. Mitchell			Monthly				302 50			302 50				45 30							257 20
	546-03-3428		2	Cordero Mine																		
	Douglas Jardelius			Monthly			440.00	220 00			220 00				33 90							186 10
	541-22-4269		1	Cordero Mine																		
	Donald L. Curry			Monthly			358.00	179 00			179 00				30 00							149 00
	558-36-8065		1	Cordero Mine		16	82½															
	Stanley H. Mitchell			8 8 8 8 8 = 8 8 8 8 8 8 = 8 8	104		1.65	184 80	66 00		105 60	13 20	66 99	31 60								151 55
	556-01-7643		2	Cordero Mine		8	82½															
	Walter L. Kobb			8 8 8 8 8 = 8 8 8 8 8 8 = 8 8	104		1.65	172 20			171 60	6 60			24 50							153 70
	564-05-7804		5	Cordero Mine		16	82½															
	Albert W. McFarland			8 8 8 8 8 = 8 8 8 8 8 8 = 8 8 VACATION	104		1.65	184 50			171 60	13 20			9 40							175 40

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

OCT 17 AM 9:09

SAN FRANCISCO, CALIFORNIA

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Defense Minerals Administration
Approval expires 4-30-53.
RECEIVED
SEP 29 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

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

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

Date [illegible] *Payee [illegible]

Per [illegible] Title Vice President

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

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

(Instructions on reverse)

[illegible] services [illegible] for a [illegible] date.

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

$2134.23

T. D. McNINCH

Signature
(Authorized Certifying Officer)

AUTHORIZED CERTIFYING OFFICER

Date SEP 22 1952 Vou. No. SF-DMEA-[illegible]

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title [illegible] Date September 15, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date Sept. 13, 1952

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 2 Docket No. DMEA 1165X Contract No. Ich-E-64

Operator's Name CORDERO MINING COMPANY Minerals MERCURY

Address 57 POST STREET SAN FRANCISCO 4, CALIFORNIA

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting		2845.64	25'	45236.29	1500'	30.16	Foot	39.27
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core				31220.16	5081'	6.14	Foot	6.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2845.64		76456.45				Total Costs Authorized by Contract
Operating Equipment Purchased								3192.00
Initial Rehabilitation and Repairs				1362.71				
New Buildings, Improvements, etc. Rent Equipment								2208.00
Total Costs		2845.64		77819.16				5400.00

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

Date Sept. 12, 1952 Operator Cordero Mining Company

Per S. H. Williston Title Vice-President

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

September 10, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of August is as follows:

During the latter part of the month the Day Tunnel, at a point about 1500 feet from the portal, was cleared of the last major plug. This opened the turn-off to the Santa Rita Shaft and all but about 70 feet of the drift to the Santa Rita Shaft.

It also opened the drift which continues on to the proposed drilling sites. In this drift, however, are minor plugs and sloughs which will have to be cleaned up or moved aside. There are also sections of the tunnel which will have to be supported in order to make the tunnel safe.

About two or three weeks of work should allow the drillers to start work underground. It will then take two or three additional weeks to open up all of the drill sites.

Very truly yours,

J. Eldon Gilbert
Manager

JEGil

Enc. Original and four copies of letter
" " " " " Form 4F-104 & 104A
Five photostatic copies of Payroll Summary
Stamped copy of invoices or copy of original invoice

Dr. Lloyd W. Staples, Geologist, worked 7 days applicable to this report.

7/26 of $625.00 (regular monthly salary) = $168.27

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: Almaden Mine
DEPARTMENT:
SHEET NO.:
PAY PERIOD ENDING: Aug 15 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	Almaden Mine																																
	Herbert J. E. Mitchell			Monthly																	605.00	302 50			302 50				45 30			*				257 20
	546-03-3478		2	Almaden Mine																																
	Douglas Gardelius			Monthly																	440.00	220 00	220 00				2 20	3 30	33 90			*				180 60
	558-36-8065		1	Almaden Mine																16	82½															
	Stanley H. Mitchell			8	8	=	8	8	8	8	8	8	=	8	8	8	8	8	104		165	184 80	171 60	13 20			1 85	2 77	31 60							148 58
	556-01-7643		2	Almaden Mine																16	82½															
	Walter L. Robb			8	8	=	8	8	8	8	8	8	=	8	8	8	8	8	104		165	184 80	171 60	13 20			1 85	2 77	26 10		7 50					146 58
	564-05-7804		5	Almaden Mine																16	82½															
	Albert W. McFarland			8	8	=	8	8	8	8	8	8	=	8	8	8	8	8	104		165	184 80	171 60	13 20			1 85	2 77	9 40		7 50					163 28

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION:
DEPARTMENT:
SHEET NO.:
PAY PERIOD ENDING: Aug 31 1952

Indicate by Red X Reimbursement of Imprest Fund	Social Security Number	Empl. Class.	Withld Deduct Code	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	almaden Mine																		605.00															
Herbert J.E. Mitchell				MONTHLY																			302 50			302 50				45 30							257 20
	546-03-3478		2	almaden Mine																		440.00															
Douglas Gardelius				MONTHLY																			220 00	220 00					330	33 90							186 80
	558-36-8065		1	almaden mine																	24	82½															
Stanley H. Mitchell				8	=	8	8	8	8	8	=	8	8	8	8	8	=			104		165	191 40	171 60	19 80			191	28	73	40						154 22
	556-01-7643		2	almaden mine																	24	82½															
Walter L. Robb				8	=	8	8	8	8	8	=	8	8	8	8	8	=			104		165	191 40	171 60	19 80			191	28	72	69		7 50				152 22
	564-05-7804		5	almaden mine																	24	32½															
Albert W. McFarland				8	=	8	8	8	8	8	=	8	8	8	8	8	=			104		165	191 40	171 60	19 80			191	28	70	20		7 50				168 22

104 (Rev.)
(1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 1105 Contract No. Ion-2-64
Operator's Name Cordero Mining Company Minerals Mercury
Address 57 Post Street, San Francisco, California
Contract Amount, $200,000.00 Government Participation: 75% Amount, $150,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		31220.16	31220.16			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	884.40	10848.20	11732.60			
Supervision	1149.84	9089.25	10239.09			
Technical Services*		1223.78	1223.78			
(3) Operating Mat'ls. and Supplies:						
Timber	983.32	7499.34	8482.66			
Explosives						
Pipe		707.43	707.43			
Track		2549.84	2549.84			
Other	255.11	3974.13	4229.24			
Power	39.52	338.90	378.42			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1362.71	1362.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	43.45	570.81	614.26			
Liability Insurance	5.27	57.37	62.64			
Workmen's Compensation	197.93	1938.17	2136.10			
Transportation		34.59	34.59			
(8) Contingencies (specify):						
TOTALS	3558.84	71414.68	74973.52			

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

Date Aug. 12, 1952 Payee Cordero Mining Company

Per J. Eldon Gilbert Title Manager

J. Eldon Gilbert

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

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

(Instructions on reverse)

*Includes services and charges for outside Geologists

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

$2,669.13

Signature T. J. RENNER (Authorized Certifying Officer) AUTHORIZED CERTIFYING OFFICER

Date SEP 22 1952 Vou. No. SF-DMEA-15

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1b-104 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Acting Chief, Mining Div., Reg. III Date August 21, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date August 22, 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

-104A
(1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1954

Month of July 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		[illegible]	[illegible]	[illegible]	147.[illegible]	28.74	Feet	39.27
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core				[illegible]	[illegible]	6.14	Feet	6.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								[illegible]
Initial Rehabilitation and Repairs				[illegible]				
New Buildings, Improvements, etc.								[illegible]
TOTAL COSTS		[illegible]		[illegible]				[illegible]

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

Date [illegible] Operator [illegible]

Per J. Elton Gilbert Title Engineer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

August 11, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165I - Contract Idm-5-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of July is as follows:

During the month 65 additional feet of Day Tunnel were opened to make a total of 1475 feet.

During part of this period, one wall of the Tunnel has been fairly solid and allowed a little better progress than we have had in the past. We hope that the Tunnel will soon open up and we will be able to get to our drilling stations within the next month or two.

Very truly yours,

J. Eldon Gilbert

J. Eldon Gilbert
Manager

JEG:L

Enc. Original and four copies of letter
" " " " " Form MF-104
Five photostatic copies of Payroll Summary
Stamped copy of invoices or original (copy) of invoice

In accordance with the policy for vacations of Cordero Mining Company, we have extended a vacation to Herbert J. E. Mitchell for the period June 23, 1952 through July 6, 1952. Mr. Mitchell returned to work on July 21, 1952 and this period, July 21st through July 31, 1952, and the period, July 1st through July 6, 1952, are chargeable on this report.

His regular salary of $605.00 per month is charged as follows:

27 working days in July 15 days actually worked - 15/27s of $605.00	336.11
Plus 10% increase retroactive to June 15, 1952	27.50
	$363.61

In place of Mr. Mitchell we have been using Mr. Edward H. Hager. Mr. Hager's salary is chargeable as follows:

Regular monthly salary - $495.00	
Time worked in second half from July 16th through July 20, 1952 - 4/27s of $495.00	73.33
Plus period July 1, 1952 through July 15, 1952	247.50
Plus 10% increase retroactive to June 15, 1952 or 6/25s of $22.50	5.40
	$326.23

J. Eldon Gilbert

J. Eldon Gilbert, Manager

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL _____

DISTRICT MANAGER APPROVAL G. Elder [illegible]

LOCATION Almaden Mine

DEPARTMENT _____

SHEET NO. _____

PAY PERIOD ENDING July 31 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification	Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours (16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
		546-03-3484	3		almaden mine																		
	Herbert J.E. Mitchell				Monthly			105.00	302 50	302 50					—								
		546-03-3478	2		almaden mine																		
	Douglas Gardelius				Monthly			440.00	220 00	220 00				2 20	3 30	33 90							180 60
		558-36-8065	1		almaden mine		8	82½															
	Stanley H. Mitchell				= = = = = 8 8 8 8 8 = 8 8 8 8	80		165	138 60	132 00	6 60			1 39	2 09	22 00							113 12
		556-01-7643	2		almaden mine		16	82½															
	Walter L. Robb				8 8 8 8 = 8 8 8 8 8 8 = 8 8 8 8	112		165	198 00	184 80	13 20			1 98	2 97	28 50		7 50					157 05
		564-05-7804	5		almaden mine		16	82½															
	Albert W. McFarland				8 8 8 8 = 8 8 8 8 8 8 = 8 8 8 8	112		165	198 00	184 80	13 20			1 98	2 97	11 80		7 50					173 75
		567-03-3890	2		almaden mine																		
	Edward H. Hager				8 8 8 8 8 (Monthly)			495.00	247 50	247 50													

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Douglas Gardelius
DISTRICT MANAGER APPROVAL:
LOCATION: Almaden Mine
DEPARTMENT:
SHEET NO.
PAY PERIOD ENDING July 15 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours (1 2 3 4 5 6 7 8 9 10 11 12 13 14 15)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3478		2	Almaden Mine																		
	Douglas Gardelius			Monthly			440.00	*20 00 220 00	240 00				2.40	3.60	11.40							192 60
	567-03-3840		2	Almaden Mine																		
	Edward H. Hager			Monthly			475.00	247 50	247 50													
	556-01-7643		2	Almaden Mine		8	97½															
	Walter L. Robb			8 8 8 x x x 8 8 8 8 8 8 x 8 8	88		1.65	151 80	145 20	6 60			1 52	2 28	~~19.70~~ 8.90		7 50					121 60 ~~120 80~~
	564-05-7804		5	Almaden Mine		8	82½															
	Albert W. McFarland			8 8 8 x x x 8 8 8 8 8 8 x 8 8	88		1.65	151 80	145 20	6 60			1 52	2 28	~~3.00~~		7 50					138 30 ~~137 50~~
	546-03-3484		3	Almaden Mine																		
	Herbert J. E. Mitchel			Monthly			605.00	*27 50 302 50	330 00													
	558-36-8065		1	Almaden Mine																		
	Stanley H. Mitchell			(Vacation) 28 Hours paid to make 2-40 Hour weeks vacation time	28		1.65	46 20	46 20				46	69	8.30							71 25

*10% Increase effective 6-15-52

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

Month of June, 1952 Docket No. DMEA 11651 Contract No. Dm-E-61

Operator's Name Consolidated Mining Company Minerals Mercury

Address 57 Post Street, San Francisco 4, California

Contract Amount, $200,000.00 Government Participation: 75 % Amount, $150,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2772.40	28447.76	31220.16			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1316.20	9532.00	10848.20			
Supervision	1058.00	8031.29	9089.29			
Technical Services*		1223.78	1223.78			
(3) Operating Mat'ls. and Supplies:						
Timber		7499.34	7499.34			
Explosives						
Pipe		707.43	707.43			
Track		2543.84	2543.84			
Other	152.33	3224.80	3377.13			
Power	48.27	290.63	338.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1362.71	1362.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	58.32	511.69	570.01			
Liability Insurance	18.50	72.67	57.17			
Workmen's Compensation	220.05	1718.12	1938.17			
Transportation		34.59	34.59			
(8) Contingencies (specify):						
Totals	5602.07	69812.61	71414.68			

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

Date July 14, 1952 *Payee Consolidated Mining Company

Per J. Elton Gilbert Title Manager

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

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

(Instructions on reverse)

*Includes services and charges for outside geologists

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

$ 4201.55

Lloyd L. Norvell
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date AUG 13 1952 Vou. No. SF-DMEA-6

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title [illegible] Date [illegible], 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date Aug. 12, 1952

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE 1952 Docket No. DMEA 1165X Contract No. Idm-E-64
Operator's Name CORDERO MINING COMPANY Minerals Mercury
Address 57 Post Street, San Francisco 4, California

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		2829.67	40'	38831.81	1410'	27.54	Foot	39.27
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core		2772.40	478'	31220.16	4156'	7.51	Foot	6.50
Churn								
Auger					5081	6.14		
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5602.07		70051.97				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								3192.00
Initial Rehabilitation and Repairs				1362.71				
New Buildings, Improvements, etc.								
Rental Equipment								2208.00
TOTAL COSTS		5602.07		71414.68				5400.00

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

Date July 14, 1952 Operator CORDERO MINING COMPANY

Per J. Eldon Gilbert Title Manager
J. Eldon Gilbert

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

REMARKS:

(Instructions on reverse)

(For Government use only)

* 4481
478
4959 not 5081

218

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NEW ALMADEN MINE

DDH 1165X Idm E-64

HOLE NO. 13

Logged by D. L. Curry

Coordinates (Approx.) 7849 W 2893 N
Direction S 48° W Down 55°

Date Started May 14, 1952
Date Stopped June 17, 1952

Depth in Feet	Core Recovered	Description
0-52	No Core	Sand in sludge. High in SiO2 and CO3. Much limonite & some black sands. Is probably weathered S-C rock.
52-127	"	Same as above but with a high pyrite content. Sludge water turned from reddish-brown to gray & a darker sand becomes more noticeable with depth.
127-128	0.5'	Silicified tuff & fine-grained graywacke.
128-132	2.5'	Mostly graywacke with some silicified tuff & greenstone tuff. Few s-c veinlets.
132-137	4.5'	Mostly graywacke with some sh & a trace of silicified tuff. Few s-c veinlets. Last 2' of core is badly shattered.
137-147	No core	
147-152	1'	Badly shattered graywacke with some sh & some silicified tuff. Few s-c veinlets.
152-157	2'	Same as above. Last 6" is a compact but soft greenish clay or tuff.
157-162	0.5'	Mostly sheared sh (alta-like). Trace of pyrite.
162-167	2'	Moderately broken graywacke with some sh & grst.
167-172	2'	Same as above without grst.
172-177	2'	Same as above.
177-182	1'	Same as above.
182-187	No core	
187-192	1'	Moderately broken graywacke with some sh & grst.
192-197	1.5'	Same as above without grst.
197-202	1.5'	Somewhat sheared but compact graywacke.
202-212	2'	Same as above.
212-222	2.5'	Primarily highly sheared sh, without compaction. One 2" piece graywacke at bottom.
222-232	1'	Slightly sheared but compact graywacke.
232-242	5'	Sheared sh & some compact graywacke.
242-252	3.5'	Graywacke first 1.5'. Rest is sheared graywacke & sh without consolidation.
252-262	0.5'	Primarily coarse graywacke.
262-272	2'	Same as above, somewhat broken.
272-282	2.5'	Moderately compact sh, some graywacke. A trace of serpentine & S-C rock near top of core.
282-292	4.5'	Alta (mostly sh, some graywacke). Badly broken last half of core.
292-297	2'	Broken alta top half of core. Rest is extremely sheared serpentine.

297-307	1.5'	Alta pebbles & some sheared serpentine.
307-312	1'	Sheared serpentine at top & massive serpentine at bottom of core.
312-322	2.5'	Alta and occasional massive serpentine bands.
322-332	1.5'	Most massive serpentine.
332-342	1'	Massive serpentine.
342-352	2.5'	Mostly sheared serpentine. One 2" piece alta at bottom.
352-362	2.5'	Massive serpentine with a ~~g~~ trace of alta.
362-372	3.5'	Primarily compact graywacke with a trace of serpentine.
372-382	4'	Sheared serpentine with some massive serpentine at bottom of core. Much asbestos (chrysotile) with fibers up to 3/16" showing in spots.
382-387	2.5'	Sheared serpentine with some asbestos.
387-392	2.5'	Same as above.
392-402	2.5'	Primarily massive serpentine, some sheared serpentine at bottom. Few asbestos veinlets.
402-412	3.5'	Massive serpentine. Few asbestos veinlets.
412-422	4'	Same as above.
422-427	1.5'	Same as above.
427-437	0.7'	Same as above.
437-447	1.5'	Same as above.
447-457	1'	Same as above. No veinlets (asbestos) showing in core.
457-472	0.5'	Massive serpentine with parallel asbestos veinlets.
472-478	0.5'	3" massive serpentine, then 3" extremely sheared serpentine.

478' Bottom of hole.

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: almaden mine
DEPARTMENT:
SHEET NO.
PAY PERIOD ENDING: June 15 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	almaden mine																																
	Herbert J.E. Mitchell			MONTHLY																	550.00	275 00	275 00				2 75	14 13	38 30							229 82
	546-03-3478		2	almaden mine																																
	Douglas Gardelius			MONTHLY																	400.00	200 00	200 00				2 00	3 00	29 90							165 10
	558-36-8065		1	almaden mine																8	75															
	Stanley H. Mitchell			X	8	8	8	8	8	X	8	8	8	8	8	X	X		88		1.50	138 00	132 00	6 00			1 38	2 07	22 00							112 55
	556-01-7643		2	almaden mine																16	75															
	Walter L. Robb			X	8	8	8	8	8	8	X	8	8	8	8	8	8	X	96		1.50	156 00	144 00	12 00			1 56	2 34	20 60		7 50					124 10
	564-05-7804		5	almaden mine																16	75															
	Albert W. McFarland			X	8	8	8	8	8	8	X	8	8	8	8	8	8	X	96		150	156 00	144 00	12 00			1 56	2 34	3 80		7 50					140 80
	541-22-4269		1	almaden mine																																
	Donald L. Curry			MONTHLY																	325.00	162 50	162 50				1 63	2 45	26 80		7 50					124 12

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Douglas Hardin
DISTRICT MANAGER APPROVAL:
LOCATION: Almaden Mine
DEPARTMENT:
SHEET NO.
PAY PERIOD ENDING: June 30 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours (16 17 18 19 20 21 22 23 24 25 26 27 28 29 30)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc,) T-2	Net Amount Paid
	546-03-3484		3	almaden mine																		
	HERBERT J.E. MITCHELL			MONTHLY			550.00	275 00	275 00				2 75	4 13	38 30							229 82
	546-03-3478		2	almaden mine																		
	DOUGLAS GARDELIUS			MONTHLY			400.00	200 00	200 00				2 00	3 00	29 90							165 10
	558-36-8065		1	almaden mine		16	82½															
	STANLEY H. MITCHELL			8 8 8 8 8 8 X 8 8 8 8 8 8 VACATION X X	96		165	171 60	158 40	13 20			1 72	2 58	29 20							138 10
	556-01-7643		2	almaden mine		16	82½															
	WALTER L. ROBB			8 8 8 8 8 8 X 8 8 8 8 8 8 X 8	104		165	184 80	171 60	13 20			1 85	2 78	26 10		7 50					146 57
	564-05-7804		5	almaden mine		16	82½															
	ALBERT W. MCFARLAND			8 8 8 8 8 8 X 8 8 8 8 8 8 X 8	104		165	184 80	171 60	13 20			1 85	2 78	9 40		7 50					163 27
	541-22-4269		1	almaden mine																		
	DONALD L. CURRY			MONTHLY			325.00	162 50	162 50				1 63	2 45	26 80		7 50					124 12

In accordance with the policy for vacations of the Cordero Mining Company, we have extended vacations this month to Herbert J. E. Mitchell, who started his vacation on June 23, 1952, and to Stanley Mitchell who started on the same date.

In place of Mr. Mitchell we have been using Mr. Edward H. Hager, whose salary is $450.00 and who worked from June 24th through June 30th, or six actual working days out of a total of twenty-five working days in June. Six twenty-fifths of $450.00 equals $108.00 which is the amount we have attached to this report.

A. Elton Gillert
Manager

CORDERO MINING COMPANY

July 14, 1952

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

July 11, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

~~11651~~ - Contract Idm-E-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of June is as follows:

During the month 40 additional feet of Day Tunnel were opened to make a total of 1410 feet. As this indicates, progress has been very slow with the underground conditions extremely bad. However, at the end of the month it appeared that the tunnel was opening up to some extent and we hope progress will be better.

No. 13 drill hole, which was down to 400 feet at the beginning of the month, was stopped at 478 feet.

This completes the surface drilling program. The drillers have removed their surface equipment and personnel and expect to return to do the underground drilling when the drilling sites have been opened up through the Day Tunnel.

Very truly yours,

J Eldon Gilbert

J. Eldon Gilbert
Manager

JEG:L

Enc. Original and four copies of letter
" " " " " Form Mf-104
" " " " " Log
Five photostatic copies of Payroll Summary
Receipted copy of Boyles Bros. bill
Stamped copy of invoices or original (copy) of invoice

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

Month of MAY, 1952 Docket No. DMEA 1265A Contract No. 1[illegible]-[illegible]-64

Operator's Name [illegible] Minerals [illegible]

Address [illegible]

Contract Amount, $[illegible] Government Participation: 75% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5164.40	23283.30	28447.70			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1307.00	8145.00	9452.00			
Supervision	950.00	7081.25	8031.25			
Technical Services*		1223.78	1223.78			
(3) Operating Mat'ls. and Supplies:						
Timber		7499.34	7499.34			
Explosives						
Pipe		737.43	737.43			
Track		2549.34	2549.34			
Other	244.45	3377.31	3621.76			
Power	49.01	247.62	296.63			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		1368.71	1368.71			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	65.12	446.37	511.49			
Liability Insurance	6.45	62.44	70.87			
Workmen's Compensation	215.00	1503.12	1718.12			
Transportation		34.59	34.59			
(8) Contingencies (specify):						
TOTALS	[illegible]	57709.16	[illegible]			

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

Date June 13, 1952 *Payee [illegible]

By J. Eldon Gilbert Title [illegible]

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

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

(Instructions on reverse)

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

$6077.58

Signature Floyd L. Norvell
Authorized Certifying Officer
(Authorized Certifying Officer)

Date AUG 13 1952 Vou. No. SP-10 m ca-6

(See other side)

* Includes services and charges for outside geologists

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date August 13, 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

[redacted]eau No. 42-R1151
[redacted]xpires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of MAY 1952 Docket No. DMEA 1165X Contract No. Tum-E-64
Operator's Name CONDERO MINING COMPANY Minerals MERCURY
Address 57 POST STREET, SAN FRANCISCO 4, CALIF.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
Drifting		2019.05	70'	36002.14	1370'	26.28	Ft.	39.27
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core		5184.40	803'	28447.76	3678'	7.73	Ft.	6.50
Churn					+ 803			
Auger					4481			
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		8203.45		64449.99				Total Costs Authorized by Contract
Operating Equipment Purchased								3192.00
Initial Rehabilitation and Repairs				1362.71				
New Buildings, Improvements, etc.								
Rental Equipment								2208.00
Total Costs		8103.45		65812.61				5400.00

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

Date June 15, 1952 Operator Condero Mining Company

Per J. Elden Gilbert Title Manager
J. Elden Gilbert

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

Remarks:

(Instructions on reverse)

(For Government use only)

Budget Bur
Approval c

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: Almaden Calif
DEPARTMENT:
SHEET NO.:
PAY PERIOD ENDING: May 15 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	almaden mine																	550.00															
	Herbert J.E. Mitchell			MONTHLY																		275 00	275 00				2 75	4 13	38 30							229 82
	546-03-3478		2	almaden mine																	400.00															
	Douglas Gardelius			MONTHLY																		200 00	200 00				2 00	3 00	29 90							165 10
	558-36-8065		1	almaden mine																16	.75															
	Stanley H. Mitchell			8 8 8 = 8 8 8 8 8 8 = 8 8 8 8															104		1.50	168 00	156 00	12 00			1 68	2 52	28 40							135 40
	556-01-7643		2	almaden mine																16	.75															
	Walter L Robb			8 8 8 = 8 8 8 8 8 8 = 8 8 8 8															104		1.50	168 00	156 00	12 00			1 68	2 52	22 90		7 50					133 40
	564-05-7804		5	almaden mine																16	75															
	Albert W McFarland			8 8 8 = 8 8 8 8 8 8 = 8 8 8 8															104		1.50	168 00	156 00	12 00			1 68	2 52	6 20		7 50					150 10
	541-22-4269		1	almaden mine																																
	Donald L. Curry			MONTHLY																	325.00	162 50	162 50				1 63	2 45	26 80		7 50					124 12

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL: Bert Mitchell

LOCATION: Almaden Mine
DEPARTMENT:

SHEET NO.
PAY PERIOD ENDING: MAY 31 1952

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification	Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
		546-03-3484		3	Almaden Mine			550.00															
	Herbert J.E. Mitchell				MONTHLY				275 00	275 00				2 75	4 13	38 30							229 82
		546-03-3478		2	Almaden Mine			400.00															
	Douglas Gardelius				MONTHLY				200 00	200 00				2 00	3 00	29 90							165 10
		558-36-8065		1	Almaden Mine		24	.25															
	Stanley H. Mitchell				8 8 X 8 8 8 8 8 X 8 8 8 8 8 8	112		1.50	186 00	168 00	18 00			1 86	2 79	31 60							149 75
		556-01-7643		2	Almaden Mine		24	.75															
	Walter L. Robb				8 8 X 8 8 8 8 8 X 8 8 8 8 8 8	112		1.50	186 00	168 00	18 00			1 86	2 79	26 10		7 50					147 75
		564-05-7804		5	Almaden Mine		24	.75															
	Albert W. McFarland				8 8 X 8 8 8 8 8 X 8 8 8 8 8 8	112		1.50	186 00	168 00	18 00			1 86	2 79	9 40		7 50					164 45
		541-22-4269		1	Almaden Mine																		
	Donald L. Curry				MONTHLY			325.00	162 50	162 50				1 63	2 45	26 80		7 50					124 12

NEW ALMADEN INC

DMA 1165-X Idm 8-64

HOLE NO. 12

Logged by D. L. Curry

Coordinates (Approx.) 7141 W 2125 N
Direction S 60 W Down 60°

Date Started April 11, 1952
Date Stopped May 9, 1952

Depth in Feet	Core Recovered	Description
0-32	No core	Primarily alluvium.
32-103	"	Ss & sh in sludge. Much pyrite present.
103-108	2.5'	Mostly ss with some sh. Very few CO3 veinlets & some pyrite. Moderate deformation.
108-113	No core	
113-118	1.5'	6" of S-C rock with hematite veinlets & some pyrite. Rest of core is ss with some shale & one small piece of chert (at bottom).
118-123	No core	
123-128	2'	Ss with some sh & a little chert. Bottom half of core is badly broken.
128-133	3'	Top 1' is badly broken ss, sh, grst, & chert. Next 1.5' is deformed ss with some sh. Bottom of core is highly sheared sh with 1 small piece of serp. & S-C rock with millerite needles. Few veinlets but some pyrite may be seen in the ss
133-138	1.5'	Sheared sh, ss, & grst. with some pyrite.
138-143	No core	
143-148	4.5'	One 5" piece of grst. tuff at top; then 1.5' ss & some sh. Rest of core is highly sheared sh & ss with one 10" piece grst. tuff at middle.
148-153	4.5'	Highly sheared sh & ss. Few s-c veinlets & some pyrite.
153-158	3.5'	Same as above.
158-163	2'	2" sh & grst tuff. Rest of core is carbonatized or silicified ss with few s-c veinlets & pyrite.
163-168	2.5'	Alta first 6", then sheared serpentine.
168-178	7'	Relatively undistrubed, compact arkosic ss with few s-c veinlets & pyrite.
178-183	3'	Same as above.
183-192	4.5'	" Sh and shattering increases last 1' of core.
192-202	3'	Badly shattered sh, ss, & grst. One piece of compact ss at bottom.
202-212	4.5'	Primarily ss first 1.5'; rest is ss with about 1/3 sh & is badly shattered.
212-223	2.5'	Same as latter part of above. Extreme shearing last half of core.
223-233	5'	Ss & sh, fairly well-consolidated. One 4" piece conglomerate (small pebbles) 1' from the botto the core.
233-243	3'	Ss, sh, & some (pebble conglomerate) (ore sedim breccia) first 2'. Then one 4" piece silicif

HOLE NO. 12

Page 2

Depth in Feet	Core Recovered	Description
243-253	4'	Ss, she & some (pebble conglomerate) (or sedimentary breccia) first 2'. Then one 4" piece silicified tuff followed by grst tuff containing abundant pyrite.
253-263	3.5'	1' ss & sh (cave?) then 1' grst tuff. Rest of core is ss, sh & cgl (or breccia).
263-273	4.5'	One piece of coarse-grained ss, then 2' of broken ss with some sh. Rest of core is extremely sheared & shattered ss, sh, & grst.
273-283	3.5'	Extremely sheared & shattered ss, sh, & grst.
283-293	4'	Same as above.
293-302	4'	Sheared ss pieces up to 2" in length. Shear zones prominent at intervals. Few dolomite veinlets.
302-313	1'	Primarily sheared ss as above with some grst at bottom of core.
313-323	0.7'	Same as above without grst.
323-326	0.6'	" " "
326-338	4'	Highly sheared sh, ss, & grst.
338-346	2'	Broken ss & sh, with shearing in b ttom 3".
346-347	1'	Sheared & broken ss & sh.
347-358	38	Consolidated ss at top, rest is sheared ss & sh.
358-367	2.5'	Sheared & broken ss & sh.
367-370	1.5'	Same as above. One 2" piece sh with many dolomite veinlets at middle of core.
370-376	2.5'	Sheared & broken ss & sh.
376-385	1'	Same as a ove. Dolomite veinlets at top.
385-393	4'	Sheared & broken ss & sh.
393-402	1'	Arkose with some dolomite veinlets & pyrite.
402-413	1'	Same as above.
413-423	~~1'~~ 0.6'	" " "
423-433	1'	" " "
433-443	2'	" " "
443-453	1'	" " ", sheared at 8"
453-463	1'	Sheared Arkose with some pyrite.
463-473	1'	Breccia, well-consolidated. Fragments composed of arkose, sh, tuff & chert. High pyrite content, especially in arkose & tuff fragments. Matrix is fine dark silt.
473-483	1'	Same as above.
483-493	2'	" " "
493-503	9'	" " "
503-513	8'	Primarily sheared arkose (moderately well-consolidated) first 4'. Then one 2" piece of chert with dolomite veinlets & a few millerite (?) needles in open cracks. Then breccia zone as described above.
513-523	4'	Breccia as described at 463'. Dolomite veinlets occasionally found in tuff fragments indicating, as does the restricted pyrite content, that some mineralization occured prior to brecciation.
523-533	1'	Breccia as described above, though consolidation is poor at this point. One piece of soft rock, appearing to be primarily a carbonate (S-C rock?) at bottom.

HOLE NO. 12

Depth in Feet	Core Recovered	Description
533-543	2'	Poorly consolidated breccia with 6" of moderately well-consolidated arkose at middle.
543-553	5'	Sheared arkose & sh. Few dolomite veinlets & much pyrite. Poor consolidation.
553-563	7.5'	Same as above with better consolidation last 3'.
563-573	7.5'	Same as latter part of above for 3'. Rest is moderately well-consolidated breccia composed mostly of ss fragments. High pyrite content.
573-583	3'	Sheared ss with well-consolidated breccia at bottom, breccia is composed primarily of ss & tuff fragments with some s-c veinlets & much pyrite especially in fragments.
573-583	3.5'	Same as breccia described above.
583-593	3'	" " above.
603-613	4.5'	Sheared & broken arkose with some pyrite.
613-623	2.5'	Same as above.
623-633	5.5'	Sheared & brecciated ss (mostly arkose), well consolidated with sh matrix. Some pyrite.
633-643	5'	Same as above with decrease in sh content.
643-653	7'	" " " " some tuff & chert fragments.
653-663	2.5'	" " "
633-673	4.5'	" " "
673-683	4.5'	" " "
683-693	5.5'	" " ". One piece of rock as described at 523'.
693-703	5'	Fairly well-consolidated breccia with some inclusions of s-c rock(?) as described at 523' in top 2'. Much pyrite.
703-713	3'	Less well-consolidated breccia with more sh & no s-c rock inclusions.
713-723	2.5'	Somewhat sheared arkose with some sh. Some pyrite.
723-733	6.5'	Highly sheared & brecciated ss & sh with 1' of compact arkose near middle. Sheared zone is poorly consolidated. Much pyrite.
733-743	5'	Sheared & broken ss & sh as above. Much pyrite.
743-753	2.5'	Same as above.
753-763	2.5'	Mostly broken arkose fragments. Much pyrite.
763-773	7.5'	Pebbles of ss, some sh. Much pyrite.
773-783	4'	Same as above.
783-793	3.5'	Sheared & broken ss & sh. Much pyrite.
793-803	2.5'	Same as above.
803	Bottom of hole.	

SUMMARY:

0-103	No core	Primarily ss & sh, indicated by sludge.
103-202		Primarily ss with some sh. Traces of grst tuff. S-c rock trace at 130'. Sheared serpentine at 165'. Ss is graywacke unless noted otherwise. Shearing & shattering is pronounced, though most of the core is fairly compact.
202-393		Badly sheared ss & some sh. Much fine material washed away in sludge. Core is poorly consolidated at

HOLE NO. 12

Depth in Feet	Core Recovered	Description
		best. Resembles alta in its deformation.
393-463		Fairly compact arkose. Noticeable increase in pyrite content, especially insludge.
463-713		Primarily a lithified breccia composed of arkose, tuff, sh, & occasionally chert & grst. Shale is usually the matrix. There is a continuance of the high pyrite content, especially in the arkose & tuff fragments where abundant dolomite veinlets may also be occasionally be found.
713-803		Primarily ss (most arkose, some graywacke). Is sheared & shattered, though fairly compact in comparison to the shear zone mentioned between 202' and 393'.

803 Bottom of hole.

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

June 9, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

11651 - Contract Idm-E-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of May is as follows:

During the month 70 additional feet of Day Tunnel were opened to make a total of 1370 feet. As this progress indicates, the tunnel is still very difficult to reopen and is going slowly.

No. 12 drill hole, which had been drilled to 650 feet last month, was finished at a depth of 803 feet.

The hole did not encounter any interesting formations, in fact, it seemed to go down in a shattered fractured zone which may be a fault gouge. The complete log for this hole is enclosed.

No. 13 drill hole is down about 400 feet and has gone through some shattered serpentine which shows a few colors of cinnabar. This is probably the most interesting hole drilled to date and we hope to push it on down to about 800 feet although the drillers are experiencing a great deal of trouble.

Coordinates - Approximately	7155 W	2120 N
Direction	S 60 W	
Inclination	60°	

Very truly yours,

J. Eldon Gilbert
Manager

JEG:L
Enc. Original and four copies of letter
" " " " " Form BF-104
" " " " " " Log
Five photostatic copies of Payroll Summary
Receipted copy of Hoyles Bros. bill
Stamped copy of invoices or original (copy) of invoice

MF-104
(August 1951)

D7-5mea-28

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 64 - 1165X

Name of Operator
Docket No. DMA Cordero Mining Company
Total Contract Amount $ 1165X Idm - 3 - 64
Government Participation 200,000.00 % Amount, $
Distribution of Expenditures for Month of 75 150,000.00
April 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1952

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 may 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.

(Name of Company)

By (Signature of Authorized Official)
S. A. Willston

(Date) May 9, 1952

(Title) Vice-President

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1333.00	6980.25	8313.25			
5. Supervision	950.00	7074.27	8024.27			
6. Supplies						
(a) Timber	3039.30	5305.79	8345.09			
(b) Explosives						
(c) Repair Parts						
(d) Other	1095.09	6257.06	7362.15			
7. Power	45.48	304.04	349.52			
8. Transportation		34.59	34.59			
9. Insurance						
(a) Fire						
(b) Public Liability	8.43	59.01	67.44			
(c) Workmen's Compensation	210.04	1293.08	1503.12			
10. Contract Work	2350.30	20913.06	23,263.36			
11. Other (specify)		302.44	446.37			
State Tax 34.29	63.93					
Fed. " 6.85						
Calif. " 22.83						
Total	9095.63	48613.53	57,709.16			
Deletions						
Adjusted totals						
Totals previously reported	48613.53					
Totals to date	57709.16					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by L. N.
Entered by
Approved by A. C. Johnson
Amount approved for payment 6821.72
Remarks

(11) Employers Payroll Federal Withholding and California Tax.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	1958.00		3740.51	243.40	5941.91		85	1215	1300	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes				(A) 2350.30	2350.30		396	3282	3678	Appro. 10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	325.00		439.42	(B) 39.00	803.42					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2283.00		4179.93	2632.70	9095.63					

[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.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

(A) Diamond Drilling
(B) F.C.A.S., California Unemployment Tax and Federal Withholding Tax Employer's Portion.

NEW ALTAUSEN MINE

DMA 1165-X Idm E-64

HOLE NO. 11

Logged by D. L. Curry

Coordinates (Approx.)	3650 W	800 N
Direction	N 75 W	Down 60°

Hole Started March 29, 1952
Date Stopped April 9, 1952

Depth in Feet	Core Recovered	Description
0-42	No core	Sand in sludge, probably derived from greenstone.
42-44	1'	Oxidized greenstone (probably tuffaceous), contains s-c veinlets & pyrite. Core is badly broken.
44-51	2.5'	Same as above.
51-57	1'	" " "
57-62	1'	" " "
62-67	2.5'	Alternating grst tuff & sh. Few veinlets & some pyrite.
67-72	No core	
72-77	2'	Alternating grst tuff & sh, as above. Sh decreases to nil at bottom of core. Silicification at bottom of core, where bedding is nearly perpendicular to the core.
77-79	1'	Green to red chert or silicified tuff with some pyrite & much hematite.
79-84	4.5'	Same as above first 2'. Rest is crystalline greenstone. Some CO3 veinlets.
84-89	0.6'	Chert or silicified tuff first 8". Rest is crystalline grst (or amphibolite).
89-94	1.5'	Chert or silicified tuff with much hematite.
94-102	1'	Massive (?) grst with pieces of chert or silicified tuff high in hematite in the middle. CO3 veinlets & pyrite thruout.
102-112	No core	
112-118	1'	Carbonatized grst tuff with green nontronite, & dolomite veinlets & pyrite.
118-121	3'	Same as above.
121-127	3'	" " "
127-129	2'	" " "
129-130	1'	" " "
130-135	2.5'	Extremely silicified grst tuff with CO3 veinlets & pyrite. Also contains green nontronite, especially in veinlets.
135-137	2'	Same as above.
137-139	2.5'	Carbonatized or silicified grst tuff with green nontronite, dolomite veinlets & pyrite.
139-145	4.5'	Same as above.
145-156	6.5'	" " "
156-160	3'	" " "
160-162	2'	" " " first 4". Rest is massive grstwith diabasic texture. s-c veinlets & pyrite.
162-171	8'	Same as latter part of above core.

171-182	8'	Coarse to fine-grained grst, carbonatized or silicified, with dolomite veinlets & pyrite. Some shearing evident.
182-183	1'	Same as above.
183-191	7'	Silicified or carbonatized grst tuff with occasional serpentine bands which merge with the grst.
191-200	9'	Same as above, with 5' coarser-grained (massive?) grst in middle of core. S-c veinlets & pyrite.
200-212	11'	Silicified or carbonatized grst tuff with occasional serp bands, as above.
212-222	10'	Same as above.
222-232	8'	Silicified or carbonatized grst with occasional serp bands, s-c veinlets & pyrite. Shearing is prominent. Some HC matter near top of core.
232-240	5.5'	Same as above without HC matter.
240-250	8.5'	Grst tuff, highly silicified at some points & containing s-c veinlets & pyrite. Last 5.5' of core is well consolidated sh & ss. Deformation is prominent near contact.
250-260	7.5'	Silicified or carbonatized ss & sh.
260-265	4.5'	Same as above. Bedding nearly perpendicular to core.
265-274	9'	Same as above, mostly sh, & more shearing. Many dolomite veinlets.
274-279	4'	Ss & sh with dolomite veinlets, as above. Shearing here as elsewhere is most prominent along sh bands.
279-289	10'	Half & half ss & sh, silic, or carbo. Less shearing & less dolomite.
289-295	~~5~~ 6'	Same as above with shearing most prominent near bottom of core.
295-300	5'	Same as above with shearing thruout.
300-307	6.5'	Same as above.
307-311	2.5'	Mostly ss, some sh, carbon. or silic. Few s-c veinlets & shearing.
311-318	7'	Ss & sh top 1', then 2.5' highly sheared grst with pyrite. Bottom of core is highly sheared sh with ss (alta).
318-327	6'	Alta first 3', then sheared grst with pyrite. HC matter thruout core.
327-337	1'	Grst, ss, & sh with some pyrite & HC matter.
337-347	6'	Sheared & some massive serp.
347-354	4.5'	Serp first 1.5', then alta & grst with HC & pyrite.
354-392	No core	Serp in sludge.
392-396	2'	Sh from above, then sheared serp, massive last 6".
396	Bottom of Hole.	

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: [illegible] LOCATION: [illegible]

DISTRICT MANAGER APPROVAL: _____ DEPARTMENT: _____

SHEET NO. _____

PAY PERIOD ENDING: 4-15-52

Indicate by Red X Reimbursement of Imprest Fund	Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3454		3	[illegible]																	550															
Herbert J.E. Mitchell						M	O	N	T	H	L	Y										275 00	275 00				2 75	4 13	38 30							229 [illegible]
	546-03-3478		2	[illegible]																	400 00															
Douglas Gardelius						M	O	N	T	H	L	Y										200 00	200 00				2 00	3 00	29 90							165 10
	558-36-8065		1	[illegible]																16	.75															
Stanley H. Mitchell				[illegible]															164		1.50	168 00	156 00	12 00			1 68	2 52	28 40							135 40
	556-01-7613		2	[illegible]																16	.75															
Walter L. Robb				[illegible]															164		1.50	168 00	156 00	12 00			1 68	2 52	22 90		7 50					133 40
	564-05-7804		5	[illegible]																16	.75															
Albert W. McFarland				[illegible]															164		1.50	168 00	156 00	12 00			1 68	2 52	6 20		7 50					150 [illegible]
	541-22-4269		1	[illegible]																																
Donald L. Curry						M	O	N	T	H	L	Y									325 00	162 50	162 50				1 63	2 45	26 80		7 50					124 12

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
LOCATION: almaden Calif
SHEET NO.: 4-30-52
DISTRICT MANAGER APPROVAL:
DEPARTMENT:
PAY PERIOD ENDING:

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification: Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours: 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Reg. Hours (B&D)	Over. Hours (C&E)	Earnings: Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	Deductions: State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	almaden mine			550.00															
	Herbert J.E. Mitchell			MONTHLY				275 00	275 00				2 75	4 13	38 30							229 82
	546-03-3478		2	almaden mine			400.00															
	Douglas Gardelius			MONTHLY				200 00	200 00				2 00	3 00	29 90							165 10
	558-36-8065		1	almaden mine		16	75															
	Stanley H. Mitchell			8 8 8 8 X 8 8 8 8 8 8 X 8 8 8	104		1.50	168 00	156 00	12 00			1 68	2 52	28 40							135 40
	556-01-7643		2	almaden mine		16	75															
	Walter L. Robb			8 8 8 8 X 8 8 8 8 8 8 X 8 8 8	104		1.50	168 00	156 00	12 00			1 68	2 52	22 90		7 50					133 40
	564-05-7804		5	almaden mine		16	75															
	Albert W. McFarland			8 8 8 8 X 8 8 8 8 8 8 X 8 8 8	104		1.50	168 00	156 00	12 00			1 68	2 52	6 20		7 50					150 10
	541-22-4268		1	almaden mine																		
	Donald L. Curry			MONTHLY			325.00	162 50	162 50				1 63	2 45	26 80		7 50					124 12

May 7, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

11651 - Contract Idm-5-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of April is as follows:

During the month 85 additional feet of Day Tunnel were opened to make a total of 1300 feet. It is still very difficult ground and does not appear to be getting better.

No. 11 drill hole was drilled at:

Coordinates - Approximately 3650 W 800 N
Direction N 75 W
Inclination -60°

to a depth of 396 feet. No commercial cinnabar encountered. A log of the hole is enclosed.

Approval was given by the Bureau of Mines to change our drilling program and allow us to drill two holes in the area of the American Shaft. The first of these holes, No. 12, was drilled at:

Coordinates - Approximately 7830 W 2830 N
Direction S 48 W
Inclination 55° below the horizontal

To date this hole is about 650 feet. It is still in sandstone and shale but no cinnabar has been uncovered. The complete log on this hole will be furnished with the next report.

Very truly yours,

J. Eldon Gilbert

J. Eldon Gilbert
Manager

JEG:L
Enc. Original and four copies of letter
" " " " " Form 9F-104
" " " " " Log
Five photostatic copies of Payroll Summary
Receipted copy of Peyton Bros. Bills
Stamped copy of each Invoice

A. C. Johnson, Chief, Mining Div., Reg. III April 21, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.), Docket DMA-1165X
Contract Idm-264

This property was visited on April 16, 1952. The progress since work was started, August 18, 1951, is as follows:

Re-opening the Day Tunnel:

On April 1, 1952 the Day Tunnel had been re-opened for a distance of 1,215 feet and on April 16, 1952 a distance of 1,255 feet. The tunnel is still in a running cave which requires spiling and boarding of the face. The drainage water is now coming from a point in the face much higher from the floor than it did previously which leads one to believe that the tunnel is approaching the main obstruction in the old tunnel. Probably another 300 feet of advance will complete the re-opening but considerable maintenance work such as replacing timber sets and cleaning the drainage ditch will be necessary during the life of the diamond drilling project.

Diamond drilling, Areas A & B, and additional area in the American Shaft area:

Drilling is now being done with a new Longyear Model C drill, which was moved to the property recently. This is the largest drilling machine Boyles Bros. Drilling Company owns.

Diamond drilling was completed in Areas A & B and additional drilling in the American Shaft area was authorized April 15, 1952.

Hole No.	Diamond Drilling Depth/Ft.	Remarks
1	334	Complete, no ore
2	375	" " "
3	354	" " "
4	312	" " "
5	312	" " "
6	217	" " "
7	283	" " "
8	380	" " "
9	217	" " "
10	381	" " "
11	396*	" " "
12	500	Incomplete
Total	4,101	

*From drill foreman Hansen's memory.

Hole No. 12 was down to 300 feet at the time of my inspection. The first 100 feet of hole did not core. No ore was encountered to date on this hole.

Hole No. 13 will be drilled 1,000 feet northwest of Hole No. 12. This will complete the drilling from surface and will total approximately 6,800 linear feet of drilling.

Unless better progress is made re-opening the Day Tunnel, the drill contractor will be idle for an indefinite period before he can start the drilling program from the underground workings.

Russell R. Trengove

Russell R. Trengove

A. C. Johnson, Chief, Mining Div., Reg. III May 26, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.)
Docket DMA-1165X - Contract Idm-E64

This property was visited on May 23, 1952. The progress since work was started, August 16, 1951 is as follows:

Re-opening the Day Tunnel: On May 1, 1952, the Day Tunnel had been re-opened for a distance of 1,300 feet, and on May 26, 1952, an distance of 1,350 feet. The drainage water has decreased and is now coming from the bottom of the drift. It was coming from near the top of the face on my previous visit. The drift was completely caved at the face. At present it appears that this work will not be completed when diamond drilling from the surface is finished. Therefore, the drill crews will be idle, waiting to get underground. After the Day Tunnel is re-opened, track will have to be laid to the drill sites.

Diamond drilling, Areas A & B, and additional area in the vicinity of the American Shaft.

Hole No.	Diamond Drilling Depth/Ft.	Remarks
1	394	Complete, no ore
2	575	Do
3	354	Do
4	312	Do
5	312	Do
6	217	Do
7	285	Do
8	380	Do
9	217	Do
10	381	Do
11	396	Do
12	803	Do
13	197	Incomplete, no ore
Total	4,801	

It was intended to drill hole 12 deeper than 803 feet but casing broke at about 600 feet and the hole was called complete. At present, hole 13 is to be the last hole drilled from the surface.

Russell R. Trengove

Russell R. Trengove

SF-DMCA-26

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E-64 1165X

Name of Operator Cordero Mining Company
Docket No. DMA 1165X Idm-E-64
Total Contract Amount 200,000.00
Government Participation: 75 % Amount, $150,000.00
Distribution of Expenditures for Month of March, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

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 may 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.

CORDERO MINING COMPANY (Name of Company)

By J. Eldon Gilbert (Signature of Authorized Official)
J. Eldon Gilbert

April 11, 1952 (Date)

Manager (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—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1285.00	5695.25	6980.25			
5. Supervision	950.00	6124.27	7074.27			
6. Supplies						
(a) Timber		5305.73	5305.73			
(b) Explosives						
(c) Repair Parts						
* (d) Other	377.99	5889.07	6267.06			
7. Power	50.00	254.04	304.04			
8. Transportation		34.59	34.59			
9. Insurance						
(a) Fire						
(b) Public Liability	8.43	50.58	59.01			
(c) Workmen's Compensation	205.62	1087.46	1293.08			
10. Contract Work	3634.40	17278.66	20913.06			
11. Other (specify)	62.59	319.85	382.44			
F.O.A.B. Tax 33.53						
Fed. With. " 6.71						
Calif. " 22.35						
Total	6574.03	42039.50	48613.53			
Deletions						
Adjusted totals						
Totals previously reported	42039.50					
Totals to date	48613.53					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by *Pb*
Entered by
Approved by *A. C. Johnson*
Amount approved for payment $ 4,930.52
Remarks

(11) Employees F.O.A.B. Federal Withholding and California Tax.

* $4.34 Included in our report for February was subtracted in error by your office. This was a 3% California State Sales Tax on Standard Oil Co. Invoice 0966985. Included in March total.

MAY 1 1946

Lloyd L. Morrell
Authorized Certifying Officer

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	1910.00		427.99	237.64	2575.63		65	1150	1215	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes			(A)	3634.40	3634.40		598	2684	3282	Appr. 10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	325.00		(B)	39.00	364.00					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2235.00		427.99	3911.04	6574.03					

[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.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

(A) Diamond Drilling

(B) F.O.A.B. California Unemployment Tax and Fed. Withholding Tax - Employees portion.

April 11, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

11651 - Contract Idm-E-64

Dear Sir:

Our February 1952 monthly report, Form MF-104, was reduced and corrected to show $4.34 less.

This $4.34 reduction covered a 3% California Sales Tax item on Standard Oil Company of California Invoice No. Q-966985. We are enclosing a copy of this invoice.

You will note that we are using the same totals which were shown on the corrected copy forwarded to us by Mr. L. L. Morvell under date of March 27th.

We contacted Mr. Morvell by telephone and explained to him that this was a legitimate charge and he suggested that we merely include this item in our March statement, which we have done.

Very truly yours,

Doyle J. Luther
Office Manager

DJL:L

Enc.

COPY

STANDARD OIL COMPANY OF CALIFORNIA

CAMPBELL, CALIFORNIA

INVOICE NO. Q-966985
2/19/52

Cordero Mining Co.
57 Post Street
San Francisco

Shipped to Almaden (Received in Good Order)
(Signed) Bert Mitchell

Standard Diesel Fuel	940	1.14	107.16
1 lb. RPM Delo Sp #40	53	7.05	37.37
	3% California Sales Tax		4.34
			148.87

April 11, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of March is as follows:

During the month 65 additional feet of Day Tunnel were opened to make a total of 1215 feet. This has been through the most difficult ground we have encountered so far. Not only is the drift completely closed but the ground is the type that develops "runs". The smallest opening between the timbers lets the rock come pouring through as though it were sand and unless every small opening is caulked tight large quantities of rock come into the drift.

No. 9 drill hole was drilled at:

Coordinates - Approximately	4510 W	710 N
Direction	N 12 W	
Inclination	-60°	

This hole encountered a few feet of silica-carbonate rock but no cinnabar. This is the first hole to even hit silica-carbonate. The hole was stopped at 217 feet in massive serpentine.

No. 10 drill hole was drilled at:

Coordinates - Approximately	4720 W	2370 N
Direction	S 70 E	
Inclination	86+°	

and was very disappointing.

While it was in an area completely surrounded by old stopes, it did not even encounter silica-carbonate rock while 80 feet away the silica-carbonate rock was 30 feet thick.

We feel that the two areas recommended for surface drilling, Church Hill and Cemetary Hill, have been tested and give us no encouragement.

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
Reno, Nevada

We are petitioning the Bureau of Mines to allow surface drilling in the area of the American shaft. Both our geologist, Dr. L.W. Staples, and Dr. E. H. Bailey of the Geological Survey, feel that this area has some promise.

Very truly yours,

J. Eldon Gilbert

J. Eldon Gilbert
Manager

JEG:L

Enc. Original and four copies of letter
" " " " " Form MF-104
" " " " " Log
Five photostatic copies of Payroll Summary
Receipted copy of Boyles Bros. bills
Stamped copy of each invoice

NEW ALMADEN MINE

DMA 1165-X Idm E-64

HOLE NO. 9

Logged by D. L. Curry

Coordinates (approx.) 4510 W 710 N
Direction N 12 W Down 60°

Hole Started February 28, 1952
Hole Stopped March 13, 1952

Depth in Feet	Core Recovered	Description
0-13	2'	Massive greenstone
13-16	2'	" "
16-20	1'	" "
20-25	2'	" "
25-26	0.7'	" "
26-31	2.5'	" "
31-36	1'	" "
36-40	0.5'	" "
40-46	0.5'	" "
46-52	0.5'	" "
52-61	3'	" "
61-70	4'	" "
70-74	2'	" "
74-80	2.5'	" "
80-85	1.5'	" "
85-87	1'	" "
87-91	3'	" "
91-95	4'	" " first 3', then 1' of deep brown cherty rock, with shale-like bands.
95-97	1"	One piece of brown cherty rock.
97-100	No core	Core rod dropped 3' at this point, indicating a possible solution channel.
100-105	3'	Deep brown cherty material as above, with interbedded silicic, shaly-like bands.
105-115	0.7'	One piece massive greenstone (probably from above) at top. Rest is green to reddish-brown chert or chert-like rock.
115-125	4'	1.5' of chert or chert-like rock. 2' alta. Rest is undifferentiated ss & sh, highly sheared.
125-130	1'	Undifferentiated ss & sh first 1/2 of core, then carbonatized ss with CO3 veinlets & pyrite.
130-140	6'	Carbonatized ss with CO3 veinlets & pyrite for 5". Rest is alta (sheared & brecciated sh, ss & grst).
140-148	4'	Undifferentiated & sheared ss & sh first 1.5', then 1.5' coarse ss with a few CO3 veinlets & pyrite. Rest is alta.
148-150	2'	Alta first 1', then massive grst.
150-154	4'	Massive grst.
154-163	8'	A little alta (probably from above) at top. Rest is massive grst (?) with much pyrite.

163-173	8'	One piece of S-C rock, then 6.5' massive grst (?) with a 1/2" piece of dolomite hilo. Then 1.5' of broken pieces of ss, sh, & grst, with one piece of 1" S-C rock near bottom.
173-183	3'	2' of S-C rock with a few dolomite hilos. Rest is transitional serp-S-C rock.
183-188	1'	Transitional serp-S-C rock with one small piece of S-C rock at bottom.
188-195	2.5'	Massive serp at top with transitional serp-S-C rock at bottom.
195-205	No core	
205-210	0.4'	Massive serpentine with relict textures.
210-217	2.5'	Same as above.
217	Bottom of core.	

NEW ALMADEN MINE

DMA 1165-X Idm E-64

HOLE NO. 10

Logged by D. L. Curry

Coordinates (approx.) 4720 W 2370 N
Direction S 70 E Down 86½°

Hole started March 15, 1952
Hole stopped March 27, 1952

Depth in Feet	Core Recovered	Description
0-46	No core	Road fill & Alluvium
46-51	4.5'	S-C rock with dolomite hilos up to 2" thru.
51-56	1.5'	" " " " " " " 3/4" "
56-61	0.3'	" " " " " " " 1/2" "
61-66	0.4'	" " " " " " " 1/4" "
66-73	0.8'	" " " small dolomite hilos.
73	0.2'	" " " " " "
		S-C rock above is characterized by the presence of pyrite and some hydrocarbon matter.
78-85	No core	
85-93	0.5'	Some S-C rock (probably from above) at top. Rest of core is ss with a few S-C veinlets & some pyrite.
93-103	1'	Ss as above.
103-113	No core	Sh in sludge, especially at 106'.
113-123	1.5'	Fine-grained ss with some sh. Few S-C veinlets.
123-133	0.6'	Ss & some Sh. Few S-C veinlets.
133-143	1.2'	Ss & Sh, sheared & alta-like.
143	0.5'	Ss & sh
		Well survey at 132': Dip-86.25°; Bearing-S 88 E (magn.) or S 70 E (corrected).
153-163	2'	Fine to coarse ss with few S-C veinlets & pyrite.
163-173	2'	Ss & Sh with some S-C veinlets & pyrite.
173-183	3.5'	A trace of chert at top. Rest is ss with S-C veinlets & pyrite.
183-193	2'	Ss first 8", then alta-like zone. Alta-like zone is brecciated & somewhat sheared, containing a highly pyritiferous breccia inclusion as well as sh, ss, grst, & chert. At bottom of core is a little chert.
193-203	4.5'	Fine ss to siltstone.
203-213	6'	Fine ss to siltstone. A few S-C veinlets & pyrite.
213-223	4.5'	Coarse ss to siltstone. A few S-C veinlets & pyrite.
223-233	2'	Fine ss to siltstone. Some chert at top.
233-243	7'	Mostly fine ss top 4', rest is siltstone to sh.
243-253	1'	Fine to coarse ss & some chert.
253-258	No core	
258-268	3.5'	Few small pieces of chert top, then ss. Last 1' is alta-like, the matrix consisting primarily of ss. Pyrite is prominent thruout.
268-278	3.5'	Same as above.

278-288	3.5'	One piece chert at top. Then 3' coarse ss to siltstone. Then 1.5' alta-like rock composed primarily of ss with grst inclusions. All of above contains some pyrite. Last 1' is chert with an extreme amount of pyrite, especially in veinlets.
288-298	8.5'	Top 1' is alta-like, as above. Then 3.5' of ss. Next 3' is alta-like with matrix of ss & some sh. Last 1' is primarily sh with some ss. Core is carbonatized or silicified and contains pyrite, especially along sh bands.
298-308	8.5'	Sh at top of core, grading to ss at 2', where said ss contains abundant S-C veinlets. Rest of core is primarily ss with few S-C veinlets (mostly dolomite). Pyrite thruout core. Carb. or sil.
308-318	7'	Ss with few S-C veinlets & pyrite.
318-328	0.5'	Highly broken, interbedded ss & sh. Very few S-C veinlets & pyrite.
328-329	No core	
329-339	1.5'	Fine ss with S-C veinlets & pyrite.
339-341	2'	Alta
341-351	2.5'	Alta first 8", then massive serpentine.
351-361	5.5'	Massive serpentine with relict pyroxene.
361-371	1.5'	Massive serp first 6", then sheared serp.
371-381	1.5'	Sheared serp first 6", then massive serp.
381		Bottom of hole.

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: almaden Calif
DEPARTMENT:
SHEET NO.:
PAY PERIOD ENDING: 3-15-52

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc,) T-2	Net Amount Paid
	546-03-3484		3	almaden mine																		
	HerbertJ.E.Mitchell			MONTHLY			550.00	275.00	275.00				275	4.13	38.30							229.82
	546-03-3478		2	almaden mine																		
	Douglas Gardelius			MONTHLY			400.00	200.00	200.00				200	3.00	29.90							165.10
	558-36-8065		1	almaden mine		20	75															
	STANLEY H. MITCHELL			8-888888-888884	100		1.50	165.00	150.00	15.00			165	2.48	27.60							133.27
	556-01-7643		2	almaden mine		24	.75															
	WALTER L. Robb			8-888888-888888	104		1.50	174.00	156.00	18.00			174	2.61	23.70		7.50					138.45
	564-05-7804		5	almaden mine		24	.75															
	ALBERT W. McFARLAND			8-888888-888888	104		1.50	174.00	156.00	18.00			174	2.61	7.00		7.50					155.15
	541-22-4269		1	almaden mine																		
	Donald L. CURRY			MONTHLY			325.00	162.50	162.50				163	2.45	26.80		7.50					124.12

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: [illegible] LOCATION: [illegible] SHEET NO.: [illegible]

DISTRICT MANAGER APPROVAL: DEPARTMENT: PAY PERIOD ENDING: 3-31-52

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours (16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	[illegible]			550.00															
	HERBERT J E MITCHELL			MONTHLY				275 00	275 00				2 75	4 13	38 30							229 82
	546-03-3478		2	[illegible]																		
	DOUGLAS GARDELIUS			MONTHLY			400.00	200 00	200 00				2 00	3 00	29 90							165 10
	558-36-8065		1	[illegible]		16	.75															
	STANLEY H MITCHELL			[illegible]	104		1.50	168 00	156 00	12 00			1 68	2 52	28 40							135 40
	556-01-7643		2	[illegible]		16	.75															
	WALTER L. RCBB			[illegible]	104		1.50	168 00	156 00	12 00			1 68	2 52	22 90		8 00					132 90
	564-05-7804		5	[illegible]		8	.75															
	ALBERT W. MCFARLAND			[illegible]	74		1.50	111 00	105 00	6 00			1 11	1 67	—		8 00					100 22
	541-22-4219		1	[illegible]																		
	DONALD L. CURRY			MONTHLY			325.00	162 50	162 50				1 63	2 45	26 80		8 00					123 62

MF-194
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 64-1165X

Name of Operator [illegible]
Docket No. DMA 1165X Idm-E-64
Total Contract Amount $ 200,000.00
Government Participation: 75% Amount, $ 150,000.00
Distribution of Expenditures for Month of February, 1952

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

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.

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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 may be made from time to time.

ACCOUNTS MAR 21 1952

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.

[illegible]
(Name of Company)

By [signature]
Samuel H. Wilhelm
(Signature of Authorized Official)

March 12, 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—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

March 10, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of February is as follows:

During the month 230 additional feet of Day Tunnel were opened to make a total of 1150 feet. Near this point the crosscut takes off to the old Randall workings and the Tunnel and crosscut are both filled with a great amount of old timber, spiling and cribbing. This is making it very difficult to make any real progress beyond this point. It is our dream, however, that we will find some open ground before we go much further.

No. 7 drill hole was finished at a depth of 283', as reported last month.

No. 8 drill hole was drilled at:

Coordinates - Approximately	4241 W	545 N
Direction	N 11 W	
Inclination	-60°	

It was drilled to 380 feet and showed no cinnabar.

Very truly yours,

J. Eldon Gilbert

J. E. Gilbert
Manager

JEG:L
Enc - Original and 4 copies of letter
5 copies of Form MF-104
5 copies of Log
5 Photostatic copies of Payroll Summary
Receipted copy of Boyles Brosl bill
Stamped copy of each invoice

HOLE NO. 8

Depth in feet	Core Recovery	Description
224-233	1'	Massive serpentine with relict textures.
233-243	2.5'	Same as above
243-253	2'	" " "
253-263	4'	" " "
263-272	4'	" " "
272-276	2'	" " "
276-286	6.5'	" " "
286-296	4.5'	" " "
296-298	1'	" " "
298-302	1.5'	" " "
302-312	3'	" " "
312-320	3.5'	" " "
320-330	2'	" " "
330-340	1'	" " ", with some sheared serpentine.
340-350	4'	Sheared serpentine top half of core, then massive serp. as above.
350-360	0.8'	Sheared & massive serpentine.
360-370	2'	Massive serpentine first 8", rest sheared.
370-380	3.5'	Highly sheared serpentine. Bottom 3" is massive serpentine with relict textures.
380	Bottom of core.	

NEW ALMADEN MINE

DMA 1165X - Idm E-64

HOLE NO. 8

Logged by D. L. Curry

Coordinates (approx)	4241 W	545 N
Direction	N 11 W	Down 60°
Hole started	February 7, 1952	
Hole Stopped	February 26, 1952	

Depth in feet	Core Recovery	Description
0'-40	No core	Sand & trace of cinnabar in sludge.
40-45	2'	Small pieces of grst at top of core. Rest is carbonatized ss & sh. S-C veinlets (mostly CO_3) & pyrite.
45-55	No core	Sludge is apparently shale.
55-60	0.5'	One piece of grst at top, rest is silicified or carbonatized ss & sh. S-C veinlets & pyrite.
60-65	1'	One piece grst at top (probably from above). Rest same as above.
65-70	1'	Silicified or carbonatized ss and sh with S-C veinlets and pyrite.
70-75	No core	
75-80	0.5'	Same as above, at top. Bottom half is chert.
80-85	No core	Sludge is apparently shale.
85-90	No core	Sludge is apparently shale.
90-95	1.5'	Silicified ss & sh. One piece of grst at middle of core. S-C veinlets up to 1/4" thick. Some pyrite.
95-100	0.5'	One piece of massive serpentine at top. Then one piece ss at bottom.
100-105	0.5'	Massive serpentine and ss.
105-110	4'	First 1' is alta with S-C veinlets & pyrite. Rest is massive serpentine with relict textures and some millerite.
110-120	3'	Massive serpentine and ss.
120-125	0.5'	Alta
125-130	1.5'	Massive serp. with relict textures & millerite.
130-135	0.7'	Same as above.
135-143	2'	A 1" piece of ss at top (probably from above). Rest is massive serp. with relict textures and millerite.
143-148	4'	Massive serpentine with relict textures.
148-156	7.5'	Same as above.
156-165	6'	" " "
165-173	7'	" " "
173-183	6'	" " "
183-193	6'	" " "
193-203	3.5'	" " "
203-212	9'	" " "
212-214	2'	Massive serpentine with relict textures.
214-215	0.6'	Same as above
215-216	0.7'	" " "
216-224	2.5'	" " "

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1294.00	4401.25	5695.25	1294.00	4401.25	5695.25
5. Supervision	950.00	5174.27	6124.27	950.00	5174.27	6124.27
6. Supplies						
(a) Timber		5305.73	5305.73		5305.73	5305.73
(b) Explosives						
(c) Repair Parts						
(d) Other	262.78	5630.63	5893.41	258.44	5630.63	5889.07
7. Power	40.78	213.26	254.04	40.78	213.26	254.04
8. Transportation		34.59	34.59		34.59	34.59
9. Insurance						
(a) Fire						
(b) Public Liability	8.43	42.15	50.58	8.43	42.15	50.58
(c) Workmen's Compensation	206.45	881.01	1087.46	206.45	881.01	1087.46
10. Contract Work	4011.85	13266.81	17278.66	4011.85	13266.81	17278.66
11. Other (specify)	62.83	257.02	319.85	62.83	257.02	319.85
F.O.A.B. 33.66						
Fed.With. 6.73						
Calif.Tax 22.44						
Total	6837.12	35206.72	42043.84	6832.78	35206.72	42039.50
Deletions						
Adjusted totals						
Totals previously reported	35206.72			35206.72		
Totals to date	42043.84			42039.50		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by Ph
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 5124.59
Remarks

16—64068-3

(11) Employers F.O.A.B. Federal Withholding and California Unemployment Tax

MAR 26 1952

Lloyd L. Norvell
Authorized Certifying Officer

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	1919.00		~~303.56~~ 299.22	238.72	~~2461.28~~ 2456.94		230	920	1150	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes			(A)	4011.85	4011.85		380	2304	2684	Approx. 10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	325.00		(B)	38.99	363.99					
Trenching										
Sampling and assaying										
Roads and trails										
[illegible]t pits										
Other (specify)										
Totals	2244.00		~~303.56~~ 299.22	4289.56	~~6837.12~~ 6832.78					

[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.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

(A) Diamond Drilling
(B) F.O.A.B., Calif. Unemployment Tax and Federal Withholding Tax - Employers Portion

A. G. Johnson, Chief, Mining Div., Reg. III March 14, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.)
Docket DMA-1188X (Contract Idm-R64

This property was visited on March 12, 1952. The progress since work was started, August 16, 1951, is as follows:

Re-opening the Day Tunnel:

On March 1, 1952 the Day Tunnel had been re-opened for a distance of 1,153 feet and on March 12, a distance of 1,185 feet. During February, 103 feet was re-opened. The old tunnel ahead of the working face was not entirely caved for the next forty feet. The tunnel has been in a running cave which requires spiling. Each spile has to be jacked ahead which slows up the work. Four shifts are necessary to advance one timber set - five feet.

Bert Mitchell estimates that about 400 feet of additional tunnel re-opening will bring it to the portion of the mine which is open. It is questionable if this will be completed when the diamond drill crew completes their surface drilling contract and are ready for the underground drilling.

Diamond drilling - Areas A and B

Hole No.	Depth/Ft.	Remarks
1	554	Complete, no ore
2	575	do
3	334	do
4	312	do
5	312	do
6	217	do
7	283	do
8	395*	do
9	205	Incomplete, few small veinlets of Hg
Total	3,027	

*From geologist's memory.

The core barrel is stuck in Hole 9. The hole was reamed and cased to top of core barrel and they were trying to drive casing to bottom of core barrel. The hole is in serpentine, so should bottom in another ten feet if serpentine continues.

The new drill rig which was set up on Hole 8 on my last visit in February was used on Holes 8 and 9 but broke down so many times that they moved the old drill rig to Hole 9.

The geologist reports a core recovery of between 40 and 50 percent. The sludge is saved in a haphazard manner when there is a water recovery. He stated that two more holes from surface totaling about 300 feet are planned. This will complete the drilling from the surface.

Russell R. Trengove

Russell R. Trengove

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E64 - 1165X

Name of Operator CORDERO MINING COMPANY
Docket No. DMA 1165X IDM-E-64
Total Contract Amount $ 200,000.00
Government Participation: 75 % Amount, $ 150,000.00
Distribution of Expenditures for Month of January 1952

Department of the Interior
Defense Minerals Administration
MAR 1 1952

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 may 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.

CORDERO MINING COMPANY
(Name of Company)

By [signature]
(Signature of Authorized Official)
Samuel H. Williston

FEBRUARY 15, 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—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,435.00	2,966.25	4,401.25			
5. Supervision	950.00	4,224.27	5,174.27			
6. Supplies						
(a) Timber	89.95	5,215.78	5,305.73			
(b) Explosives						
(c) Repair Parts						
(d) Other	1,512.85	4,117.78	5,630.63			
7. Power	38.43	174.83	213.26			
8. Transportation		34.59	34.59			
9. Insurance						
(a) Fire						
(b) Public Liability	8.43	33.72	42.15			
(c) Workmen's Compensation	219.42	661.59	881.01			
10. Contract Work	3,311.20	9,955.61	13,266.81			
11. Other (specify)	97.24	159.78	257.02			
F.O.A.B.TAX 52.09						
FED.WITH. " 10.42						
CALIF " 34.73						
Total	7,662.52	27,544.20	35,206.72			
Deletions						
Adjusted totals						
Totals previously reported	27,544.20					
Totals to date	35,206.72					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

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

FOR GOVERNMENT USE ONLY

Checked by PB
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 5746.89
Remarks

(11) Employers F.O.A.B.

Federal Withholding and Calif. Unemployment Tax

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,060.00		1,641.23	281.54	3,982.77		255	665	920	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes			(A)	3,311.20	3,311.20		542	1762	2304	Appro. 10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	325.00		(B)	43.55	368.55					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,385.00		1,641.23	3,636.29	7,662.52					

[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.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

(A) Diamond Drilling

(B) F.O.A.B. Cal. Unemployment & Fed. Withholding Tax - Employers Portion

February 15, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Mr. Johnson:

Progress of the work at the New Almaden Mine for the month of January is as follows:

During the month 255 additional feet of Day Tunnel were opened to make a total of 920 feet. The work has settled down to a routine cycle of spiling and mucking. The amount of tunnel we have gone through now exceeds the total amount of bad tunnel openings anticipated. We find it necessary now to purchase additional rail with which to continue.

No. 5 drill hole was finished at a depth of 312 feet. The complete log for this hole was sent in with the last report.

No. 6 drill hole was drilled in the Cemetary Hill area on the north side of the ridge.

Coordinates - approximately	4240 W	980 N
Direction	N 24 W	
Inclination	-60°	

It was drilled to a depth of 218 feet. No commercial cinnabar encountered.

No. 7 hole was drilled in the same general location as No. 6.

Coordinates - approximately	4080 W	840 N
Direction	N 52 W	
Inclination	-27°	

At the end of the month it was down 162 feet. However, it was finished before this report was written at a depth of 283 feet and showed only traces of cinnabar. At 152 feet it drilled through the McKinley Tunnel, which must have been drilled some time ago to explore the same area. We are enclosing the complete log for this hole.

Very truly yours,

J. W. Gilbert
Manager

JWG:L
Enc - Original and 3 copies of letter
5 copies of Form MF-104
5 copies of Log

NEW ALMADEN MINE

DMA 11652 - Idm-5-64

Hole No. 7

Logged by D. L. Curry

Coordinates (approx)	4080 W	840 N
Direction	N 52 W	Down 87°
Hole Started	January 12, 1952	
Hole Stopped	February 5, 1952	

Depth in Feet	Core Recovery	Description
0- 5	No Core	Serpentine at surface & in sludge. Slight cinnabar trace in sludge.
5-10'	No Core	Serpentine in sludge. Also slight cinnabar trace in sludge.
10-15	1'	Carbonatized ss. Many S-C veinlets (mostly CO3) up to 1" in thickness.
15-20	1.5'	Same as above.
20-25	1.5'	Carbonatized or silicified ss. Much pyrite. S-C veinlets (half & half SiO2 & CO3). Some hydrocarbon matter.
25-30	1'	Same as above. No hydrocarbon matter.
30-33	1'	Same as above with shale trace & fewer veinlets.
33-38	2'	Carbonatized or silicified ss with some shale & a few S-C veinlets & pyrite. Some Hydrocarbon matter.
38-40	1'	Carbon. or silic. ss. Some pyrite. A few S-C veinlets perpendicular to hole. Less SiO2 in veinlets.
40-45	1.5'	Carbon. ss. A few CO3 veinlets & pyrite. Some hydrocarbon matter.
45-50	2.5'	Carbon. ss. Some pyrite. Fewer veinlets.
50-52	1'	Same as above.
52-56	4'	Same as above. Veinlets (CO3) increasing.
56-60	1.5'	Carbon. ss. Some pyrite. Fewer veinlets (CO3 & some SiO2).
60-70	0.2'	Same as above.
70-75	0.2'	Same as above with trace of sh.
75-80	0.5'	Alternating ss & sh. CO3 veinlets. Sh contains ss & grat inclusions, & is sheared
80-85	0.3'	Carbonatized ss & some pulverized sh.
85-90	0.5'	Carbonatized ss & sh. Some CO3 veinlets.
90-95	No core	
95-100	No core	
100-102	0.5'	Carbon. ss. Trace of sh. Some pyrite
102-108	No core	
108-113	No core	
113-119	No core	Lost core barrel at 119', eventu machinery 1' and started hol Above log is from original Following is from second p
119-123	0.6'	Top half sh. with S-C veinle Bottom half chert (greenish) cinnabar trace in sludge.

HOLE No. 7

123-128	0.6'	Sh with some included grst. A few S-C veinlets & pyrite.
128-133	1.5'	Coarse ss near top. Rest closely interbedded fine ss & sh. Core is silicified or carbonatized. A few S-C veinlets & pyrite.
133-135	1.5'	Same as above without coarse ss.
135-143	1.5'	Same as above. Piece fine ss at bottom.
143-150	1'	Piece fine ss at top. Rest as above.
150-151	0.3'	Finely interbedded, carbonatized or silic. ss & sh. Some S-C veinlets.
151	No core	Drilled through McKinley Tunnel at 152'. Hit bottom at 162'.

January 31, 1952

162-163	0.3'	Carbonatized ss. S-C veinlets (mostly CO3).Some sh.
163-173	1.5'	Some as above first 4". Then deformed, interbedded carbon. ss & sh. Veinlets negligible.
173-180	1'	Same as latter part of above core. Some greenstone in bottom half. A few CO3 veinlets.
180-188	0.3'	Carbonatized, interbedded ss and sh with grst inclusions! Some CO3 veinlets.
188-191	0.1'	Same as above.
191-199	0.5'	Same as above.
199-200	0.2'	Same as above.
200-208	0.3'	Same as above. Well survey at this point (200'). Bearing; N52W Dip; 87 degrees.
208-210	0.3'	Same as above with about 1/2 grst. Some pyrite in grst.
210-213	0.2'	Closely interbedded ss & sh. Slight grst trace. Some CO3 veinlets. Noticeably deformed.
213-221	0.3'	Same as above without grst.
221-222	0.3'	Same as above.
222-226	0.5'	Carbon. ss with only a trace of sh. S-C veinlets (mostly CO3) & some pyrite.
225-233	0.5'	Alta (mostly sh, some ss and grst inclusions).
233-240	1'	Alta, as above. Midway in core occurs a light green to white, soapy feeling, compact substance (probably talc). Slight trace of cinnabar in sludge.
240-248	0.2'	Alta, first half of core. Then serpentine.
248-251	3'	Sheared serpentine.
251-259	3'	Sheared serpentine.
259-267	4.5'	Sheared serpentine.
267-275	6'	Massive serpentine with some relict structures.
275-283	3'	Same as above.

283' Bottom of core.

NEW ALMADEN MINE
DMA 1165X - Idm E-64

Hole No. 6

Logged by D. L. Curry

Coordinates (approx).	4240 W	980 N
Direction	N 24 W	Down 60°
Hole Started	January 5, 1952	
Hole Stopped	January 11, 1952	

Depth in Feet	Core Recovery	Description
0-12	1'	Detritus (roadbed), no core. Core is carbonatized ss with S-C veinlets & pyrite.
12-17	1.5'	Carbonatized ss with S-C veinlets & pyrite.
17-18	0.2'	Shale
18-27	2'	Carbonatized ss with S-C veinlets (mostly CO3) & pyrite.
27-32	0.5'	Same as above.
32-37	1.5'	Alternating ss (as above) & sh.
37-42	1.5'	Same as above (very little sh)
42-47	0.5'	Carbonatized or silicified ss with pyrite.
47-52	2.5'	Carbonatized or silicified ss with S-C veinlets and pyrite.
52-57	1.5'	Same as above.
57-62	2.5'	Same as above.
62-67	1.5'	Same as above with fewer veinlets.
67-74	2'	Carb. or silic. ss with S-C veinlets & pyrite. A few lenses of sh.
74-82	2.5'	Same as above.
82-92	2.5'	Same as above. Sludge to 87' contains a slight cinnabar trace.
92-97	1.5'	Same as above without cinnabar. More shale (about 1/4 of core).
97-105	1'	Same as above with less shale.
105-112	4.5'	Interbedded fine ss & sh, moderately deformed and sheared. Highly carbonatized or silicified. S-C veinlets most prominent in areas of greatest deformation. Some pyrite.
112-122	2'	Same as above, mostly ss, some coarse,
122-132	4.5'	Interbedded fine to coarse ss & sh. Some long pieces fairly uninterrupted ss. Deformation & shearing prominent. Silicification or carbonatization especially evident in the ss portions. Veinlets high in SiO2, some CO3. Some pyrite.
132-136	2.5'	Same as above with 14" of pure ss at top.
136-147	5'	Alta (SH, ss, some grst particles) first one foot. Then the above-mentioned ss & sh with less obvious deformation. Proportionately more CO3 in veinlets.
147-152	2.5'	Alta (mostly sh, some ss and grst inclusions). Carbon. or silic. Some S-C veinlets (mostly CO3) and pyrite. Traces of RC matter present.
152-162	1.5'	Mostly silic. or carbon. ss with negligible amount of veinlet. Some interbedded shale.

Hole No. 6

162-172	3'	Ten inches as, then 2" serpentine with some shale. Then 1' alta followed by 1' massive serpentine with some evident pyroxene.
172-182	1.5'	Massive serpentine showing incomplete serpentinization and original texture.
182-192	1'	Same as above.
192-198	1.5'	Same as above.
198-208	0. 5'	Same as above.
208-218	3.5'	Same as above. Some stringers of chromite.
218'	Bottom of core.	

A. G. Johnson, Chief, Mining Div., Reg. III Feb. 6, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.), Docket EMA-1168X
Contract Idm-364

This property was visited on February 4, 1952. The progress, since work was started, August 16, 1951, is as follows:

Re-opening the Day Tunnel: Two shifts are worked daily, six days per week. Miners only, are paid time and a half for all work over 40 hours. The superintendent and working foreman are on a salary basis.

The day shift crew consists of Mr. Mitchell, the superintendent and two miners. The night shift crew consists of Douglas Gardelius, who is a working foreman, and one miner. As the drift advances, new rail and new 2-inch pipe line is installed. Progress is measured by counting the pipe lengths. The working face was completely caved at the time of inspection and it was boarded up while installing the timber set to prevent a run. Timber sets are spaced at 5-foot intervals, and closer when timber sets show that they are taking weight. The posts on several sets in a wet area are bent towards the center of the drift showing considerable side pressure. Maintenance of the drift comprises putting in additional timber where the sets are taking weight and keeping the drainage ditch alongside of the track free of the fine silt which comes in from the sides and face of the drift.

On Feb. 1, 1952, the Day Tunnel had been re-opened for a distance of 920 feet. Since Feb. 1, 1952, they found 100 feet of drift open. When an open portion is encountered, the only work involved is cleaning about a foot of mud from the floor of the drift and cleaning out the drainage ditch. On Feb. 4, the face was 1,050 feet from the portal.

Diamond drilling - Areas A & B

Hole No.	Depth	Remarks
1	394	Complete, no ore.
2	575	" " "
3	354	" " "
4	312	" " "
5	312	" " "
6	217	" " "
7	222	Incomplete, no ore to date.
Total	2,388	

An unnumbered hole, intended to be Hole 7, was down 181 feet when the core barrel twisted off. The hole was abandoned presumably at the contractor's expense. The new Hole 7, penetrated the McKinley drift from 152 to 161 feet. This necessitated reaming and casing the hole from the collar to a point below the floor of the drift. The diamond drill contract does not include prices for this work. The contractor's drill foreman, Mr. Ronson, was unable to inform me whether they would be paid for this work or not. It appears that the contract would have to be amended before a settlement could be made.

What appears to be a new diamond drill machine but is in reality an over-hauled rig, was brought to the property, the week of Jan. 27, to replace the drill which is now used on Hole 7. The new machine has been set up on Hole 8 which will be drilled when Hole 7 is completed with the old machine. Holes 5, 6, 7, and 8 are on what is known as Cemetery Hill.

Drilling during January was in better drilling ground than formerly. Including 181 feet of abandoned hole, the total footage drilled from Dec. 28, 1951 to February 4, 1952, was 886 feet.

Russell R. Trengove

Russell R. Trengove

SF-Amea-17

MF-104
(April 1951)

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

2-11-52

DEFENSE MINERALS ADMINISTRATION WASHINGTON D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

FEB 18 11 15 AM '52

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.

ACCOUNTS JAN 31 1952

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.

Cordero Mining Company
(Name of Company)

By J. Eldon Gilbert
(Signature of Authorized Official)
J. Eldon Gilbert

January 14, 1952
(Date)

Manager
(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 the United States as to any matter within its jurisdiction.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Condore Mining Company
Project No. DMA 146X - Contract IDM-E-64
Total contract amount $200,000
Government participation percent 75%

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
Wages and salaries	2170.25	5020.27	7190.52			
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives						
Repair parts						
Other supplies	1511.06	7413.95	8925.01			
Power						
Transportation						
Withholding taxes	27.82	131.96	159.78			
Compensation insurance	199.66	461.93	661.59			
Other insurance	8.43	25.29	33.72			
Contract work	2283.50	7672.11	9955.61			
Other (specify) (A)	436.82	181.15	617.97			
Total	6637.54	20906.66	27544.20			
Totals previously reported	20906.66					
Totals to date	27544.20					

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by A. C. Johnson
Amount approved for payment $4978.16
Remarks

(A) Technical services of Consulting Geologist.

[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

A. G. Johnson, Chief, Mining Div., Reg. III Jan. 5, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.) Docket DMA-1165X
Contract Idm-264

This property was visited on December 28, 1951. The progress, since work was started, August 16, 1951, is as follows:

Diamond drill hole			No. 1	594 feet,	completed,	no ore.
"	"	"	No. 2	575 feet,	"	" "
"	"	"	No. 3	554 feet,	"	" "
"	"	"	No. 4	512 feet,	"	" "
"	"	"	No. 5	42 feet,	incomplete,	" "

The working face of the Bay tunnel was 870 feet from the portal, an advance of 170 feet, since my previous visit, November 27, 1951. Approximately 120 feet of the drift required no work as it was in solid formation which did not necessitate timbering.

Footages on the various drill holes were furnished to me by memory by the drill foreman for Boyles Bros., contractors.

Russell R. Trengove

Russell R. Trengove.

January 14, 1952

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Sir:

Progress of the work at the New Almaden Mine for the month of December is as follows:

During the month 155 additional feet of Day Tunnel were opened to make a total of 665 feet. At the end of the month the face of the tunnel was in a plug and required spiling on the back and sides. We have no idea how much more of this plug remains nor how many additional plugs we will find.

No. 3 drill hole was finished at a depth of 334 feet. The complete log on this hole was sent in with the last monthly report.

No. 4 hole was drilled in the Church Hill area but much nearer camp, i.e., west of the other holes, in hope of catching a bend in the formation.

Coordinates - Approximately	3970 W	2550 N
Direction	N 53 W	
Inclination	-56°	

It was drilled to a depth of 312 feet. No commercial cinnabar encountered.

No. 5 hole was drilled on the Cemetary Hill location -

Coordinates - Approximately	4240 W	800 N
Direction	N 13 W	
Inclination	-60°	

At the end of the month it was down 150 feet. However, at the time this report is being written it is being finished at a depth of 312 feet. No commercial cinnabar encountered. We are enclosing a complete log of this hole. The last two holes are planned to further prospect the Cemetary Hill area.

Very truly yours,

JEG:L
Enc.
Original and 3 copies of letter
4 copies of Form MF-104
5 copies of Log

J. E. Gilbert
Manager

N. ALMADEN INC.
DDH 1165X - Idm E-64

Hole No. 4

Logged by D. L. Curry

Coordinates (approx) 3970 W 2550 N
Direction N 53 W Down 56°
Elevation
Hole Completed - December 21, 1951

Depth in Feet	Core Recovery	Description
0-17	0.5'	SiO_2-CO_3 vein matter (prob. detrital)
17-19	0.5'	" " " " "
19-32	1.5'	" " " Dunite-derived serpentine high in chromite, last 0.5' of core
32-38	1.5'	Dunitic serpentine high in chromite. SiO_2 vein matter is evident.
38-48	0.5'	" " " " "
48-52	0.5'	" " " Bottom half of core is tuffaceous greenstone with S-C veinlets & disseminated pyrite.
52-59	3'	Same as bottom of above core.
59-69	2'	" " " " " " at very top. Transitional serp.-S-C rock grading into highly sheared serpentine
69-70	1"	One piece of transitional serp-S-C rock high in hematite with a trace of cinnabar
70-79	1'	Same as above at top, changing to highly sheared serpentine. Some pieces of S-C vein matter near top. 1" Alta at bottom.
79-87	4'	3" Alta at top. Rest massive greenstone with silica-carbonate veinlets and disseminated pyrite.
87-90	3'	Massive grst. S-C veinlets & dissem. pyrite.
90-100	7.5'	" " " " " " "
100-110	1.5'	" " " " " " " Last 3" is Alta.
110-120		Alta, some S-C veinlets.
120-130	2'	Two-thirds ss & graywacke, rest mixed sh. & grst.
130-140	No core	
140-150	5'	Alta
150-160	8'	Highly sheared serpentine. Last 1.5' is grst. with greenish veinlets, some hematite.
160-170	7'	2' grst. with green CO_3 veinlets. Next 4.5' is sheared serpentine. Last 6" is Alta.
170-180	1'	Serpentine to Alta. Some silicified grst.
180-190	1'	Greenstone, prob. silicified or carbonatized
190-200	1.5'	Mixture of grst. & sh. Green CO_3 veinlets in the grst. Trace of ss.
200-210	4.5'	Mixture of grst. & sh. Ss at bottom.

Hole No. 4

210-220	0.5'	Alta with white CO3 veinlets.
220-230	0.5'	" " " " " Sa at bottom.
230-240	2'	Mixed grst. & sh. at top. Sa at bottom. CO3 veinlets throughout.
240-248	3'	Greenstone at top. Alta (grst.,sh.,grayw.)
248-256	1.5'	Alta. Last half of core is Alta (serp & sh.) Is carbenatized (or silicified).
256-263	1.5'	Alta (serp & sh), carbonatized or silicified.
263-275	4.5'	Serpentine with some disseminated pyrite.
275-284	2.5'	" " " " "
284-292	1'	" " " " "
292-303	4.5'	" " " " "
303-312	4'	" " " " "
	Bottom of core	

NEW ALMADEN INC
DMA 1165X - Idm E-64

Hole No. 5

Logged by D. L. Curry

Coordinates (approx) 4240 W 800 N
Direction N 13 W Down 60°
Elevation
Hole Started - December 22, 1951
Hole Stopped - January 4, 1952

Depth in Feet	Core Recovery	Description
0-22	1'	Partially weathered ss.
22-29	2.5'	" " "
29-34	2'	Carbonatized "
34-36	1'	Carbonatized ss. Soft zone encountered in drilling. Sludge from this zone gave cinnabar trace of probable low value.
36-39	2'	Carbonatized ss. Carbonate veinlets.
39-44	1'	" " " "
44-49	2'	Same as above with disseminated pyrite.
49-54	0.5'	" " "
54-57	0.5'	" " "
57-62	1.5'	" " "
62-67	1.5'	" " "
67-72	1'	" " "
72-77	2.5'	Sh first 1.5', then carb. ss. Carbonate veinlets and diss. pyrite throughout.
77-82	2.5'	Carb. ss. CO3 veinlets & dissem. pyrite.
82-87	1.5'	Same as above.
87-91	2'	" " "
91-102	2'	" " "
102-107	1.5'	" " " first 3", then carbonatized Alta (sh, some ss) with CO3 veinlets and dissem. pyrite.
107-117	6.5'	Alta, same as described above. Better coring in top half.
117-122	2.5'	Alta, as above.
122-127	2.5'	Alta, " " (half & Half ss & sh)
127-134	1'	" " " " " Some SiO2 veinlets.
134-139	5.5'	Same as above (more ss than sh)
139-144	5'	" " " " " " " No SiO2 veinlets. Less deformed at bottom of core.
144-150	5'	S-C veinlets & dissem. veinlets. Deformation at minimum here.
150-155	2.5'	Same as above with lamination of ss & sh. More deformed.
(Dec.31,1951)		
155-160	3.5'	Same as above without lamination.
160-168	7.5'	Same as above, grading into Alta (sh,ss highly deformed) at bottom.
168-171	3'	Alta (sh,ss, some grst). Very few vein One piece grst. at bottom of core.

Hole No. 5

171-176	2.5'	Highly deformed grst. first 8", then Alta, then ss last 1'. Silicified or carbonatized. Some S-C veinlets & dissem. pyrite
176-181	3'	Fine ss & sh, carbonatized or silicified. S-C veinlets & pyrite. Less deformed.
181-186	5'	Same as above.
186-197	8'	Alta (sh & ss first, then sh & grst.) Pieces of grst. & brown chert at bottom. Some S-C veinlets and dissem. pyrite.
197-202	2.5'	Alta (sh & some grst). A highly deformed mass near bottom contains some serpentine and many S-C veinlets and marcasite(?) needles. S-C veinlets & pyrite in alta.
202-205	3'	Alta (sh, ss, grst, some green to brown chert) S-C veinlets & dissem. pyrite.
205-215	4.5'	Fine ss, some sh. S-C veinlets & pyrite. Le s deformed. Carbonatized or silicified
215-225	10'	Alta (sh, some ss & grst). Carbon. or silic Some S-C veinlets & pyrite.
225-235	4.5'	Same as above.
235-245	3'	Alta (sh, ss, grst, serp) Carbon. or silic. S-C veinlets & pyrite. Last half of core is sheared serpentine.
245-255	1.5'	Sheared serpentine with marcasite(?) needles
255-262	2.5'	" "
262-272	5'	" "
272-282	8'	" "
282-292	7.5'	" " Top 3' is impure, appearing grayish in color.
292-302	9'	Sheared serpentine.
302-312	10'	" "

Bottom of core.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF December 1951

Name of operator Cordero Mining Company
Project No. DMA 1165X - Contract IDM-E-64
Total contract amount $200,000
Government participation percent 75%

Type	Number	Man-Shifts	Rate	Total
Miners	3 12	63 Straight 1/4 Overtime	$ 1.50	$ 976.50
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent Working	1	1 Month		550.00
Engineers				
Geologists Working	1	3/4 Month	325. Per Mo.	243.75
Bookkeeper				
Foreman Working (Shift Boss)	1	1 Month		400.00
Clerks				
Stenographers				
Other				
Total				2170.25

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

FOR GOVERNMENT USE ONLY

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

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December 1951

Name of operator Cerro Mining Company
Project No. DMA 11658 - IDM-1-54
Total contract amount $200,000
Government participation, percent 75%

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	1926.50		1511.06	210.00	3647.56		155	510'	665	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes			(A)	2283.50	2283.50		532	1230	1762	Approx. 10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	243.75		(B)	462.73	706.48					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2170.25		1511.06	2956.23	6637.54					

[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

FOR GOVERNMENT USE ONLY

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

(A) Diamond Drilling
(B) Technical Services of Consulting Geologist 436.82
F.O.A.B., Cal. Unemploy. & Fed. With. Tax - Employers Portion 25.91
462.73

Mr. Bailey.

SF-Dma-14

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.

DEC 2[illegible]

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.

CORDERO MINING COMPANY
(Name of Company)

By J. Eldon Gilbert
J. Eldon Gilbert
(Signature of Authorized Official)

December 14, 1951
(Date)

Manager
(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 CORDERO MINING COMPANY
Project No. DMA 1165X Contract IDM-E-64
Total contract amount $200,000.00
Government participation percent 75%

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
Wages and salaries	2045.75	2974.52	5020.27			
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives						
Repair parts						
Other supplies	2019.45	5394.50	7413.95			
Power						
Transportation						
Withholding taxes	50.12	81.84	131.96			
Compensation insurance	188.21	273.72	461.93			
Other insurance	8.43	16.86	25.29			
Contract work	6053.71	1618.40	7672.11			
Other (specify) (A)		181.15	181.15			
Total	10365.67	10540.99	20906.66			
Totals previously reported	10540.99					
Totals to date	20906.66					

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 7774.25
Remarks

(A) Technical & Geological Services of C. N. Schuette who was engineer at Almaden Mine the last time the property was operated.

JAN 4 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

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF November 1951

Name of operator CORDERO MINING COMPANY
Project No. DMA 1165X - Contract IDM-E-64
Total contract amount $200,000.00
Government participation percent 75%

TYPE	NUMBER	MAN-SHIFTS	RATE	TOTAL
Miners	4	78 Straight 8-7/8 Overtime	$1.50	$1095.75
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent Working	1	1 Month		550.00
Engineers				
Geologists				
Bookkeeper				
Foreman Working (Shift Boss)	1	1 Month		400.00
Clerks				
Stenographers				
Other				
TOTAL				$2045.75

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

FOR GOVERNMENT USE ONLY

Checked by fl
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 CORDERO MINING COMPANY
Project No. DMA 1165X - Contract IDM-E-64
Total contract amount $200,000.00
Government participation, percent 75%

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	1904.75		1698.29	(C) 227.72	3830.76		210	300	510	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes				(B) 6053.71	6053.71		264	966	1230	Approx. 10,000
Overburden										
Rehabilitation and preparation	141.00		321.16	(C) 19.04	481.20					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2045.75		2019.45	6300.47	10365.67					

[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

FOR GOVERNMENT USE ONLY

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

(B) Diamond Drilling

(C) Workmens Compensation Insurance
Insurance on Truck
F.O.A.B. Tax
California Unemployment Insurance Tax
Federal Withholding Tax

A. G. Johnson, Chief, Mining Div., Reg. III Nov. 29, 1951

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.) Docket DMA-1165X
Contract Idm-E64

This property was visited on November 27, 1951. The progress, since work was started, August 16, 1951, is as follows:

Diamond drill hole	No. 1	. . . . .	394	feet,	completed,	no ore
" " "	No. 2	. . . . .	575	"	"	" "
" " "	No. 3	. . . . .	235	"	incomplete,	" "

Mr. Bert Mitchell, the superintendent, was not on the project, so the above information was obtained from the driller. The drilling machine was back on Hole 2 trying to recover some casing which is needed before drilling Hole 3 can be resumed. Two shifts are worked daily.

There were no men working in the Day Tunnel at the time of my visit, but I paced 500 feet from the portal to the face. Much of this work during the past month was found open as it was in solid formation which required no timbering. The old drift, ahead of the present working face, was partially open but timber sets were broken down. The old drift is making a little water. Some mine timber was purchased since my previous visit October 15, 1951.

Russell R. Trengove

Russell R. Trengove

December 12, 1951

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1163X - Contract ILM-E-64

Dear Sir:

Progress of the work at the New Almaden Mine for the month of November follows:

During the month 210 additional feet of Day Tunnel were reopened to make a total of 510 feet. The progress at present is very slow. At one time the floor of the drift was planked with 12 x 12's laid crosswise in the drift and side by side. They are now broken in the center by ground swell from the floor up so that each piece must be dug out and disposed of. This is in addition to the spiling of the back and the walls.

To aid in the work and to give ventilation, a 365 cubic foot Ingersoll-Rand compressor was used. However, the use of this was intermittent and, while the normal rental should be $380.00 per month, we are making no charge for it this month.

A great deal of difficulty was experienced in No. 2 drilling hole. On October 6th the hole caved at about 400 feet and it was decided to case it with BX casing and continue drilling with AX. After some delay in getting casing this was attempted but the hole was lost in trying to get the bottom part reopened. An examination of the core indicated the hole was probably going down a broken-up zone. It may not reach solid serpentine for a great distance. The geology was discussed with Dr. S. H. Bailey and it was decided to stop the hole at the depth of 573 feet.

No. 3 drill hole was started at

Coordinate - 2570 N

3515 W

Elevation - 1469 feet

Direction and inclination - Vertical

December 12, 1951

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1331
Reno, Nevada

By the end of the month this hole was down to 264 feet and showed no commercial cinnabar.

Logs of the holes are enclosed.

Very truly yours,

J. A. Gilbert
Manager

J. A. G.
Enc.

Original and 3 copies of letter
5 copies of Form F-104
5 copies of Log

New Almaden Mine
DMA 1165 Idm E 64
Hole No. 3

Logged by R. F. Johnson, U. S. Geological Survey

Coordinates (approx.) 2590 N; 3515 W.
Direction - Vertical
Elevation of collar - 1469 feet
Core Recovery -
Hole Started - November 5, 1951
Hole Completed - December 6, 1951

Depth in Feet	Core Recovered	Description
0-18	No core	
18-25	2½ feet	Possibly silica-carbonate rock. Quartz veins with numerous spherical cavities.
25-28	1 foot	Fragments of quartz veins and possible silica-carbonate rock.
28-30	1 foot	Fragments of quartz and chalcedony. Some carbonate vein material.
30-34	1½ feet	Possible silica-carbonate rock with chalcedony veinlets.
34-44	No core	
44-46	1 foot	Fragments of possible silica-carbonate rock.
46-50	1½ feet	Fragments of dolomite veins.
50-55	No core	
55-64	1 foot	Probable altered greenstone.
64-69	No core	
69-74	1 foot	Pebbles, one fragment of graywacke.
74-79	No core	
79-84	2 feet	Altered greenstone with vuggy quartz and dolomite veins.
84-89	2½ feet	Altered greenstone with vuggy quartz and dolomite veins. Hydrocarbon in some vugs.
89-94	2 feet	Altered greenstone (?) and slightly altered serpentine.
94-99	1½ feet	Fragments of veins and altered greenstone.
99-101	2 feet	Pebbles of altered greenstone.
101-109	No core	
109-114	2 feet	Altered greenstone with quartz-dolomite veins.
114-119	3 feet	Altered greenstone. Possible old workings, drill lost water.
119-124	4½ feet	Altered greenstone with carbonate veins.
124-129	1 foot	Altered greenstone.
129-139	5½ feet	Altered greenstone and vein fragments. Few specks of cinnabar at 133. Round cavities and hydrocarbon at 139.

Depth in feet	Core Recovered	Description
139-144	3 inches	Vein fragments, some altered and bleached greenstone.
144-154	3½ feet	Greenstone or greenstone tuff. Scattered violet colored fragments.
154-164	5½ feet	Greenstone or tuff. Sheared at 162.
164-174	3 feet	Greenstone. Shale fragments near 174.
174-184	3 feet	Greenstone.
184-194	3½ feet	Fragments of bleached greenstone, some shale and chert.
194-204	4 feet	Bleached greenstone and shale. Alteration decreases near 204.
204-214	5 feet	Slightly bleached greenstone veined with quartz and carbonate veinlets. Shale in last 1½ feet of core.
214-224	3½ feet	Greenstone cut by contorted veinlets.
224-234	1½ feet	Pebbles of greenstone, shale and chert.
234-242	2 feet	Chert pebbles, mud, and greenstone tuff (?).
242-252	4 feet	Shale and chert fragments. Last foot is greenstone.
252-264	2½ feet	Pebbles and fragments of vein material, shale, and bleached greenstone.
264-270	1/2 foot	Small pieces. Alta-veins-bleached tuff all could have fallen from above.
270-276	4 feet	Large pieces. One foot of alta - green, hard, finely laminated tuff. A little fine pyrite. White carbonate veins. Laminated at right angles to hole.
276-281	2 feet	One inch pieces. Same as above. Scant pyrite.
281-289	6 feet	Six inch pieces. Green tuff.
289-293	3½ feet	Five inch pieces. Green tuff. Scant pyrite
293-295	2 feet	Green tuff. Irregular lamination at 30° to hole.
295-304	8 feet	Green tuff. Broken at end of hole.
304-314	4 feet	One inch pieces mostly. Green tuff.
314-324	5 feet	One and one-half inch pieces. Green tuff.
324-334	3 feet	One inch pieces. Green tuff.

SF-Dma-11

MF-104
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
FEB 18 11 15 PM '52

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.

CORDERO MINING COMPANY (Name of Company)

By S. H. Williston (Signature of Authorized Official)

S. H. Williston

November 14, 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.

RECEIVED NOV 27 1951

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator [illegible]
Project No. DMA 1165X Contract IEX-E-64
Total contract amount $200,000.
Government participation percent 75%

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
Wages and salaries	1389.50	1585.02	2974.52			
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives						
Repair parts						
Other supplies	3438.17	1956.33	5394.50			
Power						
Transportation						
Withholding taxes	34.27	47.57	81.84			
Compensation insurance	127.83	145.89	273.72			
Other insurance	8.43	8.43	16.86			
Contract work	1618.40		1618.40			
Other (specify) (A)	181.15		181.15			
Total	6797.75	3743.24	10540.99			
Totals previously reported	3743.24					
Totals to date	10540.99	3743.24	10540.99			

FOR GOVERNMENT USE ONLY

Checked by [illegible]
Entered by
Approved by [illegible]
Amount approved for payment $5098.31
Remarks

(A) Technical & Geological Services of C.B.Schuette who was Engineer at Almaden Mine the last time the property was operated.

[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 CORDERO MINING COMPANY
Project No. DMA 11651 Contract ID[illegible]-5-64
Total contract amount $200,000.
Government participation percent 75%

Type	Number	Man-Shifts	Rate	Total
Miners	2	40 Straight 4 Overtime	$1.50	$552.00
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent Working	1	1 Month		475.00
Engineers				
Geologists				
Bookkeeper				
Foreman Working (Shift Boss)	1	1 Month		362.50
Clerks				
Stenographers				
Other				
Total				1389.50

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

FOR GOVERNMENT USE ONLY

Checked by [illegible]
Entered by
Approved by [illegible]
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October 1951

Name of operator CORDERO MINING COMPANY
Project No. DMA 11651 Contract IDM-2-64
Total contract amount $200,000.
Government participation, percent 75%

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	1289.50		3275.45	(C) 157.03	4721.98		200		300	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes				(B) 1618.40	1618.40		698		966	Approx. 10,000
Overburden										
Rehabilitation and preparation	100.00		162.72	(C) 13.50	276.22					
Geology and geophysics				(A) 181.15	181.15					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1389.50		3438.17	1970.08	6797.75					

[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

(A) Technical & Geological services of G.N.Schuette who was engineer at Almaden the the last time the property was operated.
(B) Diamond Drilling.
(C) Workmens' Compensation Insurance
Insurance on Truck
F.C.A.U. Tax
California Unemployment Insurance Tax
Federal Withholding Tax

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Remarks

NEW ALMADEN MINE

DMA - Idm-E-64

Hole No. 1

Logged by E.H.Bailey and
R.F.Johnson
U.S.Geological Survey
Hole started 9/51

Depth in feet	Core recovered	Description
268-278	2½ feet	Fragments of greenstone, shale and graywacke containing disseminated pyrite. Largely greenstone tuff in last half of core. Strongly silicified at 278.
278-285	5 feet	Shale and graywacke for 6 inches then sheared shale with fragments of serpentine and greenstone, alta type material.
285-290	1½ feet	Fragments of shale, graywacke, greenstone, diabasic material and silica-carbonate rock.
290-293	6 inches	Serpentine, graywacke, and shale fragments.
293-303	6 feet	Alta. Sheared shale and serpentine with fragments of serpentine, diabase, and graywacke. Fragments of quartz veins and silica-carbonate rock.
303-305	2 feet	Alta. Graywacke and shale.
305-315	3½ feet	Alta. Graywacke and shale becoming largely shale near 315. Hydrocarbon 1½ feet from 315. Shale is indurated at 315.
315-325	2 feet	Alta and serpentine. Contact not definitely located. 1 cinnabar grain noted in serpentine fragment. Pyrite crusts line fractures in serpentine.
325-335	3 feet	Massive serpentine. Shale fragments near 325 may be caved material as 60 feet of hole had to be redrilled. Pyrite crusts and opal in fractures in serpentine. Driller reported very soft material in last 5 feet of hole probably no core.
335-343		Core barrel filled with caved material and core from around 310-315 where hole was deflected slightly. Serpentine in last part of core at 343.
343-353		Massive serpentine.
353-393		Serpentine.

NEW ALMADEN MINE

DMA - Idm-E-04
Hole No. 2

Coordinates (approx) 2705N; 3515W.
Direction - West down 60 degrees
Elevation of collar - 1455 feet

Logged by E.H.Bailey and R.F.Johnson
U.S.Geological Survey
Hole started 10/15/51
Hole completed

Depth in feet	Core recovered	Description
0-58	Fragments	Possibly silica-carbonate rock. Dolomite veins with specks of cinnabar
58-63	1 foot	Sheared serpentine
63-68	None	
68-78	2 feet	Sheared serpentine. Weakly carbonatized at 78
78-83	1 foot	Sheared serpentine
83-88	None	
88-93	1 foot	Sheared serpentine. Dolomite near 93
93-98	2 feet	Small pieces of serpentine. Dolomite at 98
98-118	None	
118-123	5 feet	Fragments and mud. First foot is transition serpentine silica-carbonate rock. Rest is kaolinized tuff.
123-143	None	Some mud. Seems to be greenstone with dolomite veins.
143-153	7 feet	Mud. Altered greenstone. Veins of dolomite and silica in last foot.
153-158	1 foot	Pieces of veins with probable altered greenstone
158-163	None	
163-168	1½ feet	Pieces of dolomite veins in altered tuff or greenstone
168-173	2 feet	Midway in core are shale fragments and amphibolite, then massive greenstone
173-178	3 feet	Greenstone with sheared friable zone at 173. Many quartz veinlets in greenstone. Shale pebbles at 178
178-188	1 foot	Pebbles of greenstone with some amphibolite
188-198	4 feet	Largely greenstone with dolomite and quartz veins. Some amphibolite near 188
198-208	10 feet	Oxidized greenstone 198-200. Shearing at 200. Amphibolite 200-208. Amphibolite has quartz and quartz-limonite veinlets with some pyrite
208-218	8½ feet	Amphibolite. A little serpentine at 210. Quartz-dolomite-limonite veinlets with same dip as hole. Schistosity nearly perpendicular to hole. Blue amphibole 217-218.
218-228	7½ feet	Amphibolite with qtz veins. Ocherous seams at 227
228-238	5 feet	Amphibolite with quartz-dolomite-limonite veins. 1 foot serpentinous material at 233
238-243	None	
243-248	1 foot	Pebbles of altered amphibolite (?)
248-258	6 feet	248-249 highly silicified amphibolite (?) with abundant pyrite and limonite. Rest amphibolite, some nearly all hornblende
258-263	4 feet	Sheared amphibolite with abundant mica
263-273	1½ feet	Sheared amphibolite. Highly sheared at end

NEW ALMADEN MINE

Hole #2 (Cont.)

Depth in feet	Core recovered	Description
273-283	None	
283-298	Pebbles	Amphibolite
298-308	None	
308-318	5 feet	Massive amphibolite becoming sheared at 318
318-328	6½ feet	Massive amphibolite. Abundant pyrite 322-324
328-338	4 feet	Amphibolite to about 335 then silica carbonate rock Ocher and dolomite veins in silica carbonate rock
338-344	None	Dolomite vein fragments
344-353	None	
353-382	7½ feet	Sand and mud. Dolomite vein fragments in ocherous material probably silica carbonate rock. A few inches of alta at 382
382-393	None	
393-403	2½ feet	A three inch fragment of poorly developed silica-carbonate rock with a few grains of cinnabar, then shale and graywacke
403-409	2 feet	Fragments of serpentine partly altered to silica-carbonate rock. Most altered at 409. Sparsely scattered cinnabar in veinlets and in silica-carbonate rock at 409.
409-419	3 inches	Poorly developed silica-carbonate rock. Some shale ~~419-429~~
419-429	4 feet	Serpentine with siliceous veins. Good pyroxenes in serpentine
429-449	1 foot	Fragments of serpentine with some shale
449-459	5 feet	Shale and graywacke to 456, then serpentine
459-469	2 feet	Serpentine with shale and graywacke in last 6 inches of core
469-499	5½ feet	Shale and graywacke. Dolomite veins and fragments of silica-carbonate rock between 479 and 489
499-503	4 feet	Shale with minor graywacke and a few silica-carbonate fragments
503-513	3 feet	Shale for 6" then medium and fine-grained graywacke. Small discontinuous dolomite veinlets
513-523	2 feet	Graywacke and shale
523-533	3 feet	Shale and graywacke. Rock is mashed and crumpled Some siliceous green inclusions. 2" of green chert at 532
533-553	3 feet	Graywacke and shale
553-560	2 feet	Graywacke and shale for 18" then 3" chert (?) and 3" amphibolite
560-570	5 feet	Graywacke and highly sheared shale with abundant green fragments. Last 2 feet of core greenstone
570-573	2 feet	1 foot greenstone fragments. 1 foot shale and graywacke

NEW ALMADEN MINE

HOLE NO. 1

CHURCH HILL AREA

Coordinates (approx) 2635 N. 3720 W.
Direction - N84W, down 60 degrees
Elevation of collar - 1405 feet.

Logged by E. H. Bailey and R. F. Johnson
September 1951

Depth in feet	Core recovered	Description
0-20	None	
20-25		Ocherous silica-carbonate rock. Carbonate vein near 25 feet.
25-28.5		Ocherous silica-carbonate rock with carbonate veinlets.
28.5-40	1 foot	Carbonate vein material.
40-42	2 inches	Carbonate vein material with silica-carbonate rock.
42-50	2½ feet	Carbonate veins dipping nearly parallel to hole, some fine grained, brown, silica-carbonate rock. Cinnabar grains in veins in central section of core and near 50 feet. Scattered pyrite and dark sulphides in veins.
50-55	None	
55-60	1½ feet	Carbonate veins in silica-carbonate rock. Some cinnabar grains.
60-65	None	
65-75	2½ feet	Carbonate veins in weakly developed silica-carbonate rock. Shale and graywacke near 75.
75-85	1½ feet	Graywacke with a few carbonate veins. Shale near 85 feet. Some pyrite.
85-91	6 inches	Graywacke with a carbonate vein.
91-95	2 inches	Carbonate vein and altered graywacke.
95-102	4½ feet	95-98 graywacke, hydrothermally altered at 98. 99-102 shale or alta.
102-110	2 feet	Graywacke.
110-111	6 inches	Graywacke with veinlet at 111.
111-115	None	
115-120	2½ feet	Graywacke.
120-125		Fine grained graywacke. Bedding perpendicular to hole at 125.
125-130	4 feet	Fine grained graywacke.
130-139	3 feet	Fine grained graywacke.
129-149.5	3 feet	Fine grained graywacke becoming shaly. Alta in last half of core. Poorly developed silica-carbonate rock at 149.5.
149.5-160	4 feet	Weakly developed silica-carbonate rock with serpentine in last half of core. Cinnabar (?) about 1 foot from start of core and for 1 foot along core.
160-170	8 feet	Serpentine.
170-179	7 feet	Serpentine for 5 feet then 8 inches of gouge with greenstone fragments, then greenstone.
179-187	6 feet	Greenstone with scattered pyrite clots.
187-198	4 feet	Brecciated greenstone becoming massive near 198. Graywacke and shale fragments at 187.

NEW ALMADEN MINE
HOLE No. 1 (Cont)

Depth in feet	Core Recovered	Description
198-208	4 feet	Brecciated greenstone with abundant quartz veinlets. Scattered pyrite along veinlets.
208-217.5	3 feet	Greenstone in first half of core, then shale with a carbonate vein. Greenstone with shale in last half. 6 inches of shale at 217.5.
217.5-228	5 feet	Greenstone with quartz veinlets and pyrite clots. Greenstone is fragmental in part, possibly a tuff.
228-238	1 foot	Greenstone with numerous shale fragments.
238-248	None	
248-258	5 feet	Serpentine sand with some fragments of sheared serpentine.
258-268	3 feet	6 inches sand then brecciated greenstone with included shale chips. 2 inches of graywacke and shale at 268.

BUR OF MINES - DEFENSE MIN RALS INIS. JP

FROM: CHIEF DISBURSING OFFICER SAN FRANCISCO, CALIF.

Check Number	Date of Check	Amount	Symbol Number	D. O. Vou	Regional Disbursing Office) mber	Date Returned
533,627	11/26/51	2,807.45		129130		11/30/51

CORDERO MINING COMPANY SAN FRANCISCO CALIF E64- DOCKET 11 65X

ON FOR RETURN	X	Unclaimed		Deceased		Employed	

254555

Cordero Mining Company
57 Post Street
San Francisco, California
Rm 303

12/4/51

NOTICE OF CHECK RETURNED
TREASURY DEPARTMENT
DIVISION OF DISBURSEMENT
Form 1664-C-Rev.

Administrative Office will retain this copy.

Lloyd L. Norvell
Authorized Certifying Officer

SF-Ama-9

MF-104
(April 1951)

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

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

FEB 18 11 15 PM '52

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

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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.

CORDERO MINING COMPANY
(Name of Company)

By J. Eldon Gilbert
(Signature of Authorized Official)

October 31, 1951

J. Eldon Gilbert

Originally submitted October 8, 1951
(Date)

Manager
(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 CORDERO MINING COMPANY
Project No. DMA 1165X Contract IDM-E-64
Total contract amount $200,000.
Government participation percent 75%

Distribution of Expenditures ~~For Month of~~ From 8/15/51 to 9/30/51

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	1585.02		1585.02			
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives						
Repair parts						
Other supplies	1956.33		1956.33			
Power						
Transportation						
Withholding taxes	47.57		47.57			
Compensation insurance	145.89		145.89			
Other insurance	8.43		8.43			
Contract work						
Other (specify)						
Total	3743.24		3743.24			
Totals previously reported						
Totals to date	3743.24		3743.24			

FOR GOVERNMENT USE ONLY

Checked by Ph
Entered by
Approved by A. C. Johnson
Amount approved for payment $2807.43
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~~ From 8/15/51 to 9/30/51

Name of operator CORDERO MINING COMPANY
Project No. DMA 1165X Contract IDM-E-64
Total contract amount $200,000.
Government participation percent 75%

Type	Number	Man-Shifts	Rate	Total
		325.00/Month = 1.401/Hour		
Miners	1 (A)	1½ Months	$	$ 487.50
Muckers	1	24 Straight	1.50	342.00
Trammers		3 Overtime		
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1 (B)	8 Days	7000.00/Yr.	155.52
Bookkeeper				
Foreman	1	1½ Months	400.00/Mo.	600.00
Clerks				
Stenographers				
Other				
Total				1585.02

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

(A) 33 Straight Shifts
7 Overtime Shifts

(B) $7000.00 = 583.33/Month
19.44/Day
8 x 19.44 = $155.52

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~~ From 8/15/51 to 9/30/51

Name of operator CORDERO MINING COMPANY
Project No. DMA 1165X Contract IDM-E-64
Total contract amount $200,000.
Government participation, percent 75%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	~~Units this month~~ Period	Units previously reported	Units to date	Units authorized by contract
Drifting	714.75		1902.29	95.64	2712.68	Foot	100		100	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes						Foot	258		258	Approx.10,000
Overburden										
Rehabilitation and preparation	714.75		54.04	87.20	855.99					
Geology and geophysics	155.52			19.05	174.57					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1585.02		1956.33	201.89	3743.24					

[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

FOR GOVERNMENT USE ONLY

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

DOCKET COPY

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

Supplement to

PROJECT SUMMARY REPORT

By: F. L. Knouse October 25, 1954

1. Docket No. DMEA-1165 (Mercury)
Contract No. Idm-E64
Cordero Mining Company
New Almaden Quicksilver Mine
Santa Clara County, California

The Project Summary Report dated January 25, 1954, prepared by Mr. F. M. Murphy, should reflect the final settlement made between the Government and the Operator in accordance with the Supplemental Audit Certificate dated October 19, 1954, as follows:

3. Audit Certificate May 11, 1953 - by Mr. E. D. Talbert
Supplemental Audit Certificate, October 19, 1954, by Mr. E. D. Talbert.

Total cost as billed by contractor		$111,503.40
Exceptions:		
Prior to audit	$ -0-	
During audit	1,640.33	1,640.33
Total Accepted Cost		$109,863.07
Government participation @ 75%		$ 82,397.30

Accordingly, an additional amount of $504.31 (consisting of $485.91 for initial rehabilitation and repairs of buildings plus $5.31 for payroll taxes and $13.09 for employer's liability insurance) is allowed by this supplemental audit report.

As a result of the Administrator's letter to the Operator, dated September 24, 1954, of his determinations relative to the Operator's protest of certain disallowances reflected in the Audit Report and Certificate dated May 11, 1953, the Operator submitted his check in the amount of $1,230.25 to the Government in final settlement of this account.

F. L. Knouse

F.L. Knouse

cc to: Admr.'s Reading file
Code 700 contract file
Mr. Knouse

☒ Audited

☐ Certified

W[illegible] ANALYSIS SHEET - DMEA PROJECT[illegible]

Analysis as of Nov. 16, 1956

Incl. Voucher for _____

☒ Actual Cost

☐ Agreed Unit Costs

Name Cordero Mining Company

Docket No. DMEA 1165X

State California

Commodity Mercury

Idm-E No. E64

OPERATION	AUTHORIZED Units Feet	AUTHORIZED Cost	COMPLETED Units Feet	COMPLETED Cost	NET COST
Drifting & Crosscutting	900'	$ 34,570			
~~Drifting~~ Reopening Tunnel	1166' ①	$ 55,575	2745 ②	57,070.21	$ 57,070.21
Shafts	300'	$ 33,108			
Winzes					
Drilling (Specify) Diamond	9550	$ 69,075.00	7761	52,288.55 ③	$ 52,288.55
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		$ 4500			
Other (Specify) Headframe		$ 4000			
Totals		$ 200,828		$ 109,358.76	$ 109,358.76

① Estimated caved portion of tunnel

② Total length of reopened tunnel as reported.

③ Includes 4,253.92 for consulting geologists.

Prepared by A. D. McMahon

71626

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

PROJECT SUMMARY REPORT

By: F. M. Murphy January 5, 1954

1. DMEA Docket No. 1165 (Mercury)
Contract No. Idm-E64
Cordero Mining Company
New Almaden Quicksilver Mine
Santa Clara County, California

Property: 2 Parcels of land being part of Ranchos Capitancillos and San Vincente and containing 5000 acres more or less.

2. Contract July 18, 1951.

STAGE I		Amended to:
Reopen Day Tunnel	$ 24,954.00	$ 48,492.00
Rental equipment	2,448.00	2,448.00
Purchase equipment & utilities	3,088.00	3,088.00
Geologist	7,000.00	7,000.00
9550 ft. Diamond drilling @ $6.50/ft.	62,075.00	62,075.00
Field office accounting	1,547.00	1,547.00
TOTAL	$101,112.00	$124,650.00

STAGE II	
Shaft and drifts, etc.	76,178.00
Total Contract	$200,828.00
Government participation @ 75%	$150,621.00

Contract Amended December 10, 1952, to provide more money for reopening the Day Tunnel.

Amendment No. 1 - July 18, 1951, permits company to pay increased wages forced on them by wage agreements.

Amendment No. 2 - April 14, 1952, change location of two (2) drill holes.

Work Completed:

23 diamond drill holes totaling 7,745 feet at $6.75 per foot - total $52,288.55

2,745 feet of Day Tunnel reopened - averaging $21.00 per foot - $57,638.32

Rehabilitation $ 1,580.87

Only Stage I work completed as results did not justify the work outlined for Stage II. Project work started August 15, 1951, and was completed on March 15, 1953.

3. Audit Certificate May 11, 1953 - by Mr. E. D. Talbert.

Total cost billed by Operator	$111,503.40
Exceptions (See Audit Report)	2,144.64
Total accepted cost	$109,358.76
75% Government participation	$ 82,019.07

4. No Certification.

5. Comments:

The Field Team reports that the work was not done in an efficient manner. The excessive cost to reopen the Day Tunnel was not anticipated. In the original contract it was estimated only 600 feet of this tunnel would have to be rehabilitated.

From previous work it was determined that the ore bodies in this area are localized near the intrusive contacts between silica-carbonate rock (Franciscan group) and the intrusive sill-like bodies of serpentine. The silica-carbonate rock is an ~~altered~~ product of sheared margins of the serpentine which has been altered by hydrothermal solutions. Along the intrusive serpentine contacts is found a highly sheared mixture of shale and other rocks, called "alta".

Structure in the area is complex, the rocks are highly folded and faulted. Where the contact between silica-carbonate rock and alta is gently dipping, cinnibar was deposited in structural highs such as domes, but where the contact is steeply dipping, ore deposition took place where the northeast trending fractures were abundant. Most of the ore bodies were along the upper intrusive contacts beneath the capping alta, but other ore bodies, not quite so rich, were found along the under side of the sill above the alta.

The U.S.Geological Survey in a study of previous work at the mine suggested four structurally favorable areas that had not been explored, two ~~that~~ which could be drilled from surface and two from the 800-level Day Tunnel. The work under the contract explored these structures, but no ore was found.

The Field Team report states that in the America Mine area structure D & C. may still have possibilities.

F M Murphy

F. M. Murphy

☒ Audited

☐ Certified

Name

State

W[illegible] ANALYSIS SHEET - DMEA PROJECT[illegible]

Analysis as of Nov. 16, 1956
Incl. Voucher for _____

Commodity

☒ Actual Cost

☐ Agreed Unit Costs

Docket No. _____

Idm-E No. _____

OPERATION	AUTHORIZED Units Feet	AUTHORIZED Cost	COMPLETED Units Feet	COMPLETED Cost	NET COST
Drifting & Crosscutting	900	$ 34,570			
~~Building~~ Reopening Day Tunnel	1166 ①	$ 55,575	2,745 ②	$ 57,070.21	$ 57,070.21
Shafts	300	$ 33,108			
Winzes					
Drilling, Diamond (Specify)	9,550	$ 69,075	7,761	$ 52,288.55 ③	$ 52,288.55
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		$ 4,500		–	
Other (Specify) Headframe		4,000		–	
Totals		$ 200,828		$ 109,358.76	$ 109,358.76

① Estimated cored portion of tunnel.

② Total length of reopened tunnel

③ Includes $ 4,253.92 for consulting Geologists.

Prepared by A. D. McMahon

71626

Discussed project with F.E.Johnson and decided closing letter un-necessary.

File Complete

TLC

4/28/55

Talbert
Chambers

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

OCT 2 9 1954

Mr. N. C. Miller
Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-1165
Cordero Mining Company
Almaden Quicksilver Mine
Contract No. Idm-E64

Dear Mr. Miller:

By letter dated September 24, 1954 addressed to the Operator under the subject Exploration Project Contract, the Administrator stated his determinations relative to the Operator's protest of certain disallowances reflected in the Audit Report and Certificate dated May 11, 1953. A copy of this letter was furnished you.

As a result of the Administrator's determinations it has been necessary to issue a Supplemental Audit Report and a Supplemental Audit Certificate. The original and one copy of the Report and the original and two copies of the Certificate are enclosed for regional distribution in accordance with Supplement No. 4 to DMEA Circular 19.

A copy of each is being furnished Mr. Mavor with a copy of this letter in order to complete his audit file.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure
EDTalbert/wb 10/19/54
Copy to: Docket
Admr. Reading File
Mr. Mavor
Mr. Ellis
Mr. Chambers

R.S.B.

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

OCT 19 1954

Registered Mail

Mr. N. C. Miller
Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-1165
Cordero Mining Company
Almaden Quicksilver Mine
Contract No. Idm-E64

Dear Mr. Miller:

Enclosed you will find a check from the Cordero Mining Company, which is a refund of disallowances made in the audit of the above-cited account. This check was submitted by Cordero in response to a letter written by the Administrator under date of September 24, 1954, a copy of which was furnished you at the time.

A Supplemental Audit Certificate is being issued and the allotment for this project will be adjusted accordingly.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

JLChambers/wb
October 19, 1954

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers

R.C.S.

S H Williston letter, 9/30/54

Re - second paragraph -

The Co. did not present any documents to the auditor showing materials and supplies furnished without Government participation.

The Govt engineer, however, reported that hardwood flooring and lumber bought for rehabilitation of buildings were left at the mines unused.

JFC

J. N. PEW, JR.
PRESIDENT

S. H. WILLISTON
VICE-PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY

131 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

September 30, 1954

Defense Minerals Administration
RECEIVED
OCT - 4 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
United States Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1165 (Mercury)
Contract No. Idm-E64
New Almaden Quicksilver Mine
Santa Clara County, California

Dear Mr. Mittendorf:

Your letter of September 24th was received. Naturally I was disappointed, especially because of our recent conversation in Washington. Possibly my principal disappointment is that it is apparently impossible to do business with the Government on a good faith basis.

As I have told you before, we leaned over backward on this project and supplied material and equipment, which we were not obligated to supply, without charge in an effort to complete the work, which was much greater than estimated, within the limits of the available money. I think we did a good job and I am quite confident that it was better than nine out of ten other operators would have done.

After that effort you can see why I am quite disappointed in the Government's action.

I realize that this is probably not to be blamed on your Washington office and that the responsibility can be placed squarely on your San Francisco agents.

I see no point in carrying this matter any farther and we will make the requested payment but, since I reopened this matter through Assistant Secretary Wormser, it would probably be best if I presented the final settlement check to him. I have already written him on other matters and expect to see him in Washington within the next ten days or two weeks and will finish up the matter at that time.

Very truly yours,

S. H. Williston

SHW:L

Surname copy

700

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

F. L. Kunze
Ellis
Hoffmann
Chamberlin
Johnson

Mr. [illegible] Williston, Vice President
Cordero Mining Company
1600 Walnut Street
Philadelphia 3, Pennsylvania

SEP 24 1954

INTERIOR DEPT.
SEP 20 1954
SOLICITOR

Re: Docket No. DMEA-1165 (Mercury)
Contract No. Ida-K64
New Almaden Quicksilver Mine
Santa Clara County, California

Dear Mr. Williston:

This is with reference to earlier correspondence and discussions concerning your claim for the cost of rehabilitating certain buildings at the New Almaden Mine in connection with the subject exploration project.

Since my letter to you of February 16, 1954, I have again caused a complete review of your claim to be made by Mr. M. C. Miller's office in San Francisco and by the auditors and engineers of my staff in Washington. This review resulted in the following:

Expenses claimed by your Company, and disallowances by DMEA

Item	Building Description	Rehabilitation expense
1.	Two warehouse buildings 100' x 25'	$ 323.94
2.	One diamond driller's dwelling 100' x 25'	185.91
3.	One assay building containing map vault and office for geologist	161.97
4.	One dwelling for Bert Mitchell (Foreman)	323.94
5.	One dwelling for A. Wefarland (Miner)	323.95
6.	Payroll taxes and insurance	61.35
	Rehabilitation cost (not recognized as disallowance by the Company)	$ 1,681.06
	Amount recognized by your Company as disallowable	163.58
	Disallowances shown by DMEA audit	2,144.64

(Individual costs of Items 1 to 5 furnished by Palo Alto office of your Company, subsequent to the audit.)

As the contract provides only for the necessary rehabilitation and repairs to existing facilities, the findings of this review are as follows:

Item 1. It was not considered necessary to rehabilitate these two buildings in order to complete the exploration project because the quantity of equipment and supplies to be sheltered and the drilling crew to be provided with housing did not justify the use of these buildings.

Item 2. Rehabilitation of this building was considered necessary to the exploration project, because it was required to shelter the equipment and supplies and to house the drilling crew, and resulted in saving 25¢ per foot on subcontracted drilling.

Item 3. It was not considered necessary to rehabilitate this building in order to complete the exploration project because provisions were made in other cost items to provide for the cost of assaying and there was ample space in the above building (Item 2) to provide for a combination part-time office for the company geologist and for the required maps to be stored.

Items 4 and 5. The rehabilitation of these two buildings was not considered necessary to complete the exploration project because they were used for the purpose of housing the families of the foreman and miner, and if additional quarters were required to house the families the Government cannot participate in such expense. There was ample space in the Item 2 building to quarter the foreman, miner, and drilling crew.

As the result of allowance of Item 2 above, the disallowances are restated as follows:

Amount recognized by your Company as disallowances (when final audit was made in Philadelphia, Pa.)	$463.58	
Item 1 - Two warehouse buildings each 100' x 25'	323.94	
Item 3 - One assay building w/map vault	161.97	
Items 4 and 5 - Two residences (homes for Mr. Mitchell and Mr. McFarland)	647.89	
Payroll taxes and insurance on above items	42.95	
Total disallowances		$1,640.33
Total overpayment (75%)		$1,230.25

I regret the delay incurred in completing this review and in answering your letter. We feel that on the foregoing basis a settlement would be fair and equitable to both your Company and the Government.

Since all the project accounts of this Agency are audited by the General Accounting Office and this review shows the maximum allowable under the terms of the contract, it will be greatly appreciated if you will forward your check in the amount of $1,230.25 for the overpayment so we can close this account.

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to: Cordero Mining Company
131 University Avenue
Palo Alto, California

FLKnouse/gla 9-20-54
cc to: Admr.'s Reading File
Docket
Messrs. Thor H. Kiilsgaard, Rm. 5227
H.M.Meyer, Rm. 2623
Contract Adm. & Audit Division
DMEA Field Team, Region III (2)
Code 700
F. L. Knouse

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

September 15, 1954

To: The Administrator, DMEA
Through: Chief, Rare and Miscellaneous Metals Div.

From: Acting Assistant Solicitor, Defense Minerals

Subject: Cordero Mining Company, Docket No. DMEA-1165, Contract No. Idm-E64

The Rare and Miscellaneous Metals Division has submitted to this office a draft of a letter for your signature to Mr. Williston, Vice President of the applicant company, attached to a routing slip which bears this instruction: "Please determine if we can legally approve the payment for rehabilitating one building. Also approve rough draft of letter attached or, otherwise, prepare the necessary reply."

There has been much correspondence on this small matter involving some $1,600. On November 24, 1953, I drafted for the signature of the Administrator a letter to Mr. Williston setting forth in detail the legal position of DMEA with respect to the disputed items. This letter was not used, Mr. Mittendorf preferring to draft one of his own, but the conclusion there reached was that DMEA could not and would not contribute to any of the disputed items, and that the demand for repayment resulting from contribution thereto would not be modified. A re-examination of the matter does not cause me to change this conclusion.

In any event, I could not approve this subject draft of a letter for your signature to Mr. Williston. In this draft it is stated that:

> "Item 2. Rehabilitation of this building was considered necessary to the exploration project, because it was required to shelter the equipment and supplies and to house the drilling crew."

However, in the "Summary" is the notation to the effect that contribution to this item is not to be allowed. I am unable to resolve these conflicting statements in the draft.

I have not prepared any letter for your signature to Mr. Willison because it should include a statement of the amount demanded, which is essentially an auditing matter. All that is necessary is to state the amount demanded and the items of which it is composed and demand payment thereof pursuant to previous correspondence.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Fifth
~~Fourth~~ draft
8-17-54
FLKnouse/gla

F. L. Knouse
Ellis
Chamberlin

Mr. S. H. Williston, Vice President
Cordero Mining Company
131 University Avenue
Palo Alto, California

1600 Walnut St.
Phila 3. Pa.

Should this address be Phil -

Re: Docket No. DMEA-1165 (Mercury)
Contract No. Idm-E64
New Almaden Quicksilver Mine
Santa Clara County, California

Dear Mr. Williston:

This is with reference to earlier correspondence and discussions concerning your claim for the cost of rehabilitating certain buildings at the New Almaden Mine in connection with the subject exploration project.

Since my letter to you of February 16, 1954, I have again caused a complete review of your claim to be made by Mr. H. C. Miller's office in San Francisco and by the auditors and engineers of my staff in Washington. This review resulted in the following:

Expenses claimed by your Company, and disallowances by DMEA

Item	Building Description	Rehabilitation Expense
1.	Two warehouse buildings 100' x 25'	$ 323.94
2.	One diamond drillers' dwelling 100' x 25'	485.91
3.	One assay building containing map vault and office for geologist	161.97
4.	One dwelling for Bert Mitchell (Foreman)	323.94
5.	One dwelling for A. McFarland (Miner)	323.95
6.	Payroll taxes and ins.	61.35

*) (Individual costs of items 1 to 5 furnished by Palo Alto Office of your company, subject to agreement for the audit)

Rehabilitation cost (not recognized as disallowance by the Company)	$1,681.06
Disallowances shown by DMEA [redacted] audit	2,144.64
Amount recognized by your Company as disallowable	463.58

As the contract provides only for the necessary rehabilitation and repairs to existing facilities, the findings of this review are as follows:

Item 1. It was not considered necessary to rehabilitate these two buildings in order to complete the exploration project because the quantity of equipment and supplies to be sheltered and the drilling crew to be provided with housing did not justify the use of these buildings.

Item 2. Rehabilitation of this building was considered necessary to the exploration project, because it was required to shelter the equipment and supplies and to house the drilling crew, and resulted in 25¢ per foot on sub-contracted drilling.

Item 3. It was not considered necessary to rehabilitate this building in order to complete the exploration project because provisions were made in other cost items to provide for the cost of assaying and there was ample space in the above building (Item 2) to provide for a combination part-time office for the company geologist and for the required maps to be stored.

Items 4 and 5. The rehabilitation of these two buildings was not considered necessary to complete the exploration project because they were used for the prupose of housing the families of the foreman and miner, and if additional quarters were required to house the families the Government cannot participate in such expense. There

As the result of allowance of Item 2 above, the disallowances are restated as follows:

was ample space in the Item 2 building to quarter the foreman, miner, and drilling crew.

~~SUMMARY~~

Amount recognized by your company as disallowances (when final audit was made in Philadelphia, Pa.)	$463.58
Item 1 - Two warehouse buildings each 100' x 25'	323.94
Item 3 - One assay building w/map vault	161.97
Items 4 and 5 - Two residences (homes for Mr. Mitchell and Mr. McFarland	647.89
Payroll taxes and insurance on above items	42.95
Total disallowances	$1,640.33
Total overpayment (75%)	$1,230.25

I regret the delay incurred in completing this review and in answering your letter. We feel that on the foregoing basis a settlement would be fair and equitable to both your Company and the Government.

Since all the project accounts of this Agency are audited by the General Accounting Office and this review shows the maximum allowable under the terms of the contract, it would be greatly appreciated if you will forward your check in the amount of $1,230.25 for the overpayment so we can close this account.

Sincerely yours,

Administrator

Fourth draft
8/10/54
FLKnouse/gla

RECEIVED
AUG 20 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Mr. S. H. Williston, Vice President
Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket No. DMEA-1165 (Mercury)
Contract No. Idm-E64
New Almaden Equicksilver Mine
Santa Clara County, California

Dear Mr. Wiliston:

This is with reference to earlier correspondence and discussions concerning your claim for the cost of rehabilitating certain buildings at the New Almaden Mine in connection with the subject exploration project.

Since my letter to you of February 16, 1954, I have again caused a complete review of your claim to be made by Mr. H. C. Miller's office in San Francisco and by the auditors and engineers of my staff in Washington. This review resulted in the following:

Expenses claimed by your Company, and disallowances by DMEA

Item	Building Description	Rehabilitation Expense
1.	Two warehouse buildings 100' x 25'	$ 323.94
2.	One diamond drillers' dwelling 100' x 25'	485.91
3.	One assay building containing map vault and office for geologist	161.97
4.	One dwelling for Bert Mitchell (Foreman)	323.94
5.	One dwelling for A. McFarland (Miner)	323.95
6.	Payroll taxes and ~~interest~~ INS.	61.35
	Rehabilitation cost (not recognized as disallowance by the Company)	$1,681.06
	Disallowances shown by DMEA final audit	$2,144.64
	Amount recognized by your Company as disallowable	$ 463.58

As the contract provides only for the necessary rehabilitation and repairs to existing facilities, the findings of this review are as

follows:

Item 1. It was not considered necessary to rehabilitate these two buildings in order to complete the exploration project because the quantity of equipment and supplies to be sheltered and the drilling crew to be provided with housing did not justify the use of these buildings.

Item 2. Rehabilitation of this building was considered necessary to the exploration project, because it was required to shelter the equipment and supplies and to house the drilling crew.

Item 3. It was not considered necessary to rehabilitate this building in order to complete the exploration project because provisions were made in other cost items to provide for the cost of assaying and there was ample space in the above building (Item 2) to provide for a combination part-time office for the company geologist and for the required maps to be stored.

Items 4 and 5. The rehabilitation of these two buildings was not considered necessary to complete the exploration project because they were used for the purpose of housing the families of the foreman and miner, and if additional quarters were required to house the families the Government cannot participate in ~~the~~ such expense. There was ample space in the ~~warehouse~~ Item 2 building to quarter the foreman, miner, and drilling crew.

S U M M A R Y

Amount recognized by your company as disallowances (when final audit was made in Philadelphia, Pa.)	$463.58	
Payroll taxes and insurance	42.95	
Item 1 - Two warehouse buildings each 100' x 25'	323.94	
Item 3 - One assay building w/map vault	161.97	
Items 4 and 5 - Two residences (homes for Mr. Mitchell and Mr. McFarland	647.89	
Total disallowances		$1,640.33
8-24-54 ~~Less credit for Item 2~~ (Mr Kanner says take out)		~~485.91~~
Total overpayment (75%)		$1,230.25

I regret the delay incurred in completing this review and in answering your letter. We feel that on the foregoing basis a settlement would be fair and equitable to both your Company and the Government.

Since all the project accounts of this Agency are audited by the General Accounting Office and this review shows the maximum allowable under the terms of the contract, it would be greatly appreciated if you will forward your check in the amount of $1,230.25 for the overpayment, ~~indicated above~~, so we can close this account.

Sincerely yours,

Administrator

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

June 15, 1954

Mr. E. D. Talbert, Acting Chief
Contract Administration and
Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Dear Mr. Talbert:

Reference is made to your letter dated June 10, 1954 in connection with certain questions and problems on the contracts listed below, which were to be discussed with H. C. Miller upon my return from Washington.

The question relating to Cordero Mining Co., Contract Idm E-64, DMA-1165X, was answered by letter dated May 13, 1954 to C. O. Mittendorf, wherein Mr. Miller recommended the inclusion in costs of 1-100 x 25 diamond drillers building $485.91. Mr. Miller states that the answers in this letter does not require any further explanations or recommendations on his part.

The question relating to Lakeview Mine Contract, Idm-E447, DMEA-2393, was answered in letter dated June 7, 1954 from H. C. Miller to C. O. Mittendorf, wherein he requested that legal action be taken, due to lack of documentary proof in support of costs.

The questions pertaining to New Penn Mines Inc., Contract Idm E-529, DMEA-2885, were discussed with H. C. Miller, and in line with my understanding with Mr. Chambers, the material charge of $903.20 and travel expense of drillers $251.40, would be acceptable in costs. Mr. Chambers stated that I should obtain a letter from Mr. Miller, pertaining to travel expense only, stating he agreed to the cost and this has been accomplished. Both of these items are described in the narrative of my audit report, which is presently being typed, and should be forwarded to you in the next day or two.

I might state that I discussed all questions with H. C. Miller, immediately upon my return from Washington and the only negative action on the questions involved was Cordero Mining Co., wherein Mr. Miller felt that no further correspondence was required after having written his letter dated May 13, 1954 referred to above.

George Mavor

George Mavor
Auditor

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

AIR MAIL

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Batter Street
San Francisco 11, California

Dear Mr. Mavor:

It is my understanding that, during your recent visit to Washington, you and Mr. Chambers conferred with Mr. Knouse of the Rare and Miscellaneous Metals Division relative to certain problems and questions pertaining to Idm-E529, DMEA-2885, New Penn Mines, Inc., and Idm-E64, DMEA-1165X, Cordero Mining Co., which you were to discuss further with Mr. Miller upon your return to San Francisco.

Also, during your visit, I discussed with you the necessity of preparing a Report of Review covering Idm-E447, DMEA-2393, Lakeview Manganese; however, you were requested to confer with Mr. Miller to determine what steps he wished to take in an endeavor to relieve the suspension involved. The Report of Review was subsequently received by this Division and the release of the regional copies was authorized by my letter to you under date of June 2, 1954.

To date no information has been received from either Mr. Miller or you as to the determinations or recommendations resulting from your discussions on these three contracts. Please furnish this information by return air mail, and also advise as to the approximate date that this Division may expect to receive the audit report for Idm-E529.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
June 10, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers
Mr. Martin
Mr. Ellis

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

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

May 13, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-1165X (Mercury)
New Almaden Quicksilver Mine
Santa Clara County, California
Contract No. Idm-E64 (Amended)

A very unsatisfactory reply dated May 11, 1954, has been received from Mr. J. Eldon Gilbert, Manager, Cordero Mining Company, to my letter of April 12, 1954, addressed to Mr. S. H. Williston, Vice President, Cordero Mining Company. A copy of Mr. Gilbert's letter is attached.

Mr. Gilbert again states that the fact that buildings for housing the drilling crews were available influenced Boyles Bros. bid to the extent of 25 cents a foot. The letter agreement dated August 22, 1951, signed by Mr. Gilbert and Mr. A. F. Goldsworthy makes no mention of any reduction in this bid due to accommodations being available. However, Mr. Goldsworthy in a letter dated January 25, 1954, addressed to Mr. J. Eldon Gilbert, states that his bid was definitely influenced to the extent of 25 cents a foot because housing was available. That statement is being accepted.

An effort to find out how many men occupied housing at the mine and for how long was unsuccessful.

In view, therefore, of the purported saving to the Government as a result of the accepted reduced cost of drilling and the statement made that many of the drilling crew lived in houses at the mine, I recommend that we allow rehabilitation costs for one 100 x 25 foot diamond drillers' building, $485.91.

attachment to case 700

In view of the stipulation in the contract,"It will not be necessary to rehabilitate any of the buildings or facilities on the property for this exploration work," and because no evidence has been presented or is available to support the qualification that repairs to the two warehouses, assay building, and two dwellings were necessary and might be considered direct costs of performing the exploration work, none of the cost for repairing them should be allowed. It was to the advantage of Cordero Mining Company and not to the Government that these five buildings were maintained.

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

Attachment

Copy to: Roscoe Smith, USGS

S. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY

191 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

H C Willis Hill 5/12

May 11, 1954

Received
MAY 17 1954

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

Re: Docket DMA-1165X (Mercury)
Contract Idm-E64 (Amended)
New Almaden Quicksilver Mine
Santa Clara County, California

Dear Mr. Miller:

Your letter of April 12th to Mr. Williston has been given to me to answer. I am sorry this reply is so delayed but I have been away and have just returned to the office. I will attempt to answer the questions you raise in this letter so that your thinking may be clarified and you will be able to reach a wise and proper conclusion.

When Robert Goldsworthy inspected the property at New Almaden, before submitting the bid on the drilling, he saw the houses on the property and asked about using them for his workmen. We agreed to this knowing it would influence his bid and probably be a consideration in getting men to work there.

During the two years the drilling was in progress many drilling crews came and went. Many of them lived in those houses; it is possible two of them may have had trailers; perhaps some of them did even drive back and forth from San Jose. This does not alter the fact that because the buildings were available when the job was estimated the bid was <u>at least</u> 25¢ per foot less than it would have been. Without the housing the drilling alone would have cost about $2000 more.

Rehabilitation of the assaying-map storage vault was started when we thought we would find enough mineralized rock to justify assaying. As you know, the object of this project was to find ore and if we had had any idea that we would find none we would not have spent our money there. Had any single core justified assaying we would have wanted assay results quickly, and would have needed the assaying room in a matter of hours. The old flooring was torn out and new flooring purchased but, unfortunately, we had no need for the assaying room.

Your engineer is in error when he says we did not use the map vault. This was used as a storage place for Almaden maps and as a workroom for our geologist during the entire operation.

Mr. Mitchell was indeed our regular employee and we did maintain his house as a matter of good business. We recognized that if his house was not maintained he would have been forced to move away from the property and

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

May 11, 1954

the cost to us, in the long run, would have been greater and, therefore, the cost to our business partner, the DMEA, would have been greater. We also think that our business partner should have the integrity to bear his share of the costs. Mr. McFarland was employed for this job only.

If your engineers were inspecting the project at New Almaden as they should have been and reporting to you, and if you read their reports, you were aware of all the work going on there from this information alone. In addition, I sent a monthly report directly to you outlining the work in progress and giving a breakdown on costs. Actually, in approving those monthly reports you have already approved this work, and you are now taking the stand that, since the whole project was unsuccessful, you should take advantage of hindsight and disapprove what you have already approved.

Very truly yours,

J. Eldon Gilbert

J. Eldon Gilbert
Manager

JEG:L

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

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

May 3, 1954

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1165X (Mercury)
Contract Idm-E64 (Amended)
New Almaden Quicksilver Mine
Santa Clara County, California

Reference is made to your letter dated April 1, 1954, and to my letter of April 12 to Cordero Mining Company (of which a copy was sent to you), concerning use made of certain buildings under the subject project.

On April 19, the Secretary of the company notified me that Mr. Gilbert, who at that time was in Europe, would be back in about ten days and would answer my letter on his return. To date I have not received his letter.

If I do not hear from Mr. Gilbert within the next few days, I will write again for the information I requested in my earlier letter.

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

Copy to: Roscoe Smith, USGS

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

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

April 12, 1954

Mr. S. H. Williston
Vice President
Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket MMA-1165X (Mercury)
Contract Idm-E64 (Amended)
New Almaden Quicksilver Mine
Santa Clara County, California

Dear Mr. Williston:

I am making one more attempt to clear the record before submitting final recommendations to the Washington Office as to proper and fair settlement of your claims for rehabilitating certain buildings at the New Almaden Mine in connection with the above captioned project.

In attempting to clarify my thinking, I find a number of conflicting statements in the correspondence file. I trust that you will help me put the record straight.

Correspondence between Mr. Gilbert and Boyles Bros. Drilling Company indicates that the availability of accommodations influenced their bid, and had no accommodations been available, the bid would have been at least 25 cents per foot higher that it was. It is difficult to accept that statement as there is no mention of housing accommodations in the letter-agreement dated August 22, 1951, signed by Mr. Gilbert and Mr. A. F. Goldsworthy.

Mr. Goldsworthy, in his letter to Mr. Gilbert dated January 25, 1954, states that "some of the men did drive back and forth" from San Jose. From reports by our engineers I am given to understand that the diamond drillers had two trailers and were living in them, and that the quarters assigned to them were being used for office space and storage of their equipment. Will you kindly let me know how many members of the diamond drill crew actually occupied space in the building and for how long.

With those conflicting statements before me, how can I justify the rehabilitation of a 100 ft. by 25 ft. building for the accommodation of the crew and two other buildings of the same size for storage of equipment?

In your letter to Mr. Mittendorf, dated December 16, 1953, you wrote: "The other charge, for flooring, had to do with the replacement of a rotten and termite-infested floor in the building used for assaying and for storage of Almaden Mine maps. This building had to be used since the map vault was a part of the building, and the flooring in the other part of the building, used for assaying, was dangerously unsafe." Despite the fact that you stated "this building had to be used," our engineer on January 5, 1954, found that the flooring at one end of the building had not been repaired though there was some new lumber stored in the building. Furthermore, Mr. Gilbert told our engineer that the combined assay office and map vault storage room had not been used. It is quite obvious that the rehabilitation of this building, even if it had been done, was not needed for the project.

Mr. Mitchell and Mr. McFarland were regular employees of yours, and it would be expected that your company would maintain their homes as a matter of good business. I can find no justification in any of the correspondence for the work reported to have been done in these two dwellings that might be tied to the exploration project.

An early reply will be appreciated, as the Washington Office is desirous of closing this project an an early date.

Sincerely yours,

H. C. Miller

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

Copy to: DMEA, Washington, D. C.
Roscoe Smith, USGS
A. C. Johnson, Reno

700

DOCKET
SURNAME
F. L. Knowse
Ellis
Chamberlin
K. Johnson
Hatheway

APR 1 1954

Mr. E. C. Miller
Executive Officer
RMPA Field Team, Region XII
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. RMPA-3145 (Recovery)
Contract No. 14-01
Sunshine Mining Company
Star Chandler Quicksilver Mine
Santa Clara County, California

Dear Mr. Miller:

This is with reference to your memoranda dated February 2, and March 17, 1954, concerning the building rehabilitation question of this project.

On page 2 of your memorandum dated February 2 we note the following:

> "I agree with Mr. Johnson that it is doubtful if all the six buildings or floor space were needed for the project and if any compensation is in order, I would recommend that we allow only the cost of rehabilitating the following:
>
> 1 diamond drillers' dwelling
> 1 dwelling for Fort Mitchell
> 1 dwelling for McFarland"

In this connection we wish to clarify that this is not a question of making a compromise with the operator, but of evaluating what is fair and equitable in order to complete the work as is set forth in the contract. In the light of the new information, please furnish your recommendations which state specifically your justifications.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JAB)

APPROVED:

J. H. Hedges (JAB)
Director, Bureau of Mines

D. M. Larrabee (JAB)
Director, Geological Survey

R. C. Ryan
#1-5

FLKnowse/fsc 3-30-54
cc to: Adm. Reading File
Operating Comm.
Docket
Ft. Reg. 3
Messrs. H. M. Meyer, Rm. 3623
A. R. Kinkel, Rm. B-242A - GSA
Mr. Knowse
Code 700

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

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

March 17, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-1165X (Mercury)
Cordero Mining Company
New Almaden Quicksilver Mine
Santa Clara County, California
Contract No. Idm-E64 (Amended)

Reference is to your teletype dated February 16, 1954, requesting us to get a breakdown of rehabilitation costs on all six buildings at the New Almaden Mine.

I am now in receipt of such a breakdown which came to me attached to a letter from Mr. Doyle S. Luther, Office Manager, Cordero Mining Company, Palo Alto, California, dated March 12, 1954.

The original and one copy made of it in this office are attached. In looking over the statement, we note that Mr. Luther has included (as it should be) an item (Item #3) for lumber amounting to $256.99. Apparently Mr. Warne did not catch this item when he appraised the property, or Mr. Johnson neglected to include it in his memorandum dated January 26, 1954, of which two copies were sent to you.

Please let us know if there is any thing else we can do in this connection.

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

Attachment

Copy to: Roscoe Smith, USGS (With enclosure)
A. C. Johnson, Reno (With enclosure)
George Mavor

DISALLOWANCES, AUDIT OF D M E A

Contract Idm-E64
Docket DMEA 1165X
Almaden, California

Distribution of charges to buildings:

2 Warehouse buildings	100' x 25'	20%	$323.94
1 Diamond Drillers' dwelling	100' x 25'	30%	485.91
1 Assay Building		10%	161.97
1 Dwelling for Bert Mitchell(Foreman)		20%	323.94
1 Dwelling for A. McBarland (Miner)		20%	323.95
Rehabilitation Costs (Not recognized as disallowable			$1619.71

Materials & Supplies:

Item #20	Lumber	$162.72
" 32	Roofing	202.71
" 49	Lumber	20.53
" 3	Lumber	256.99 +.01
Expense Account Purchase - Bert Mitchell Plumbing Supplies		21.01 -.01
		$663.96

Labor:

56-2/3 hrs. @ $1.50	$385.00	
12 " @ overtime	27.00	
Supt. 3/4 month @ 400.00	300.00	
Foreman 3/4 " @ 325.00	243.75	955.75
		$1619.71

Total disallowances shown by DMEA final audit, Philadelphia, Pa. 2144.64

Amount recognized as disallowable..... $ 524.93

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

Defense Minerals Administration
RECEIVED
MAR 5 - 1954

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

March 1, 1954

Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket [illegible]-1165X (Mercury)
Contract [illegible]-E64 (Amended)
New Almaden Quicksilver Mine
Santa Clara County, California

Gentlemen:

Reference is made to the error in the second paragraph of my subject letter to you, dated February 16, 1954. The amount shown in that paragraph should have been stated as $1362.71 in place of $1603.[illegible]

Sincerely yours,

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

Copy to: Cordero Mining Company
1600 Walnut Street
Philadelphia 3, Pennsylvania

DMEA, Washington, D. C.
Roscoe M. Smith, USGS
A. C. Johnson, Reno

FILE COPY
SURNAME:

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

FEB 16 1954

Mr. S. H. Williston
Vice President
Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket No. DMEA-1165
(Mercury)
Contract Idm-E64 (Amended)

Dear Mr. Williston:

This is with reference to your letter dated December 16, 1953, in reply to mine of December 3, and is intended to apprise you of our actions pursuant thereto during the intervening period.

Since your letter of December 16 contained new explanations and information not previously recorded in the docket, it became necessary for me to again refer the case to the Field Team for their reconsideration and possible re-examination of the exploration project site.

I have now received the report by the Executive Officer of Region III, which reveals that a re-examination of the property was made on January 22, 1954, in the company of your Manager, Mr. J. E. Gilbert; also, that your auditor, Mr. Luther, was consulted during the investigation.

After reviewing the report of the Field Team, I have telegraphed Mr. H. C. Miller, Executive Officer at San Francisco, to obtain a breakdown of the rehabilitation costs applicable to each of the six buildings which were repaired. Mr. Miller will undoubtedly contact you at an early date for the purpose of obtaining that information.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

COMittendorf/fw
2/16/54
cc: Admr Reading File
Mails & Files
Field Team, Reg. III
Mr. Ellis
Mr. Chambers
Mr. Mittendorf

Copy to Philadelphia address

2/24/54 gla

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

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

February 16, 1954

Cordero Mining Company
131 University Avenue
Palo Alto, California

Subject: Docket DMA-1165X (Mercury)
Contract Idm-864 (Amended)
New Almaden Quicksilver Mine
Santa Clara County, Calif.

Gentlemen:

Reference is to the item of $1608.48 covering overpayment of Contract Idm-864, Docket DMA-1165X, as of March 31, 1953, for which a Bill of Collection, dated May 15, 1953, was sent to your head office in Philadelphia.

A recent inspection by one of our mining engineers showed that the rehabilitation work claimed on your vouchers as costing $1608.48 was performed on the following six buildings:

2 warehouse buildings (100' x 25')
1 Diamond drillers' dwelling (100' x 25')
1 Assaying building
1 Dwelling for Bert Mitchell (foreman)
1 Dwelling for Mr. McFarland (miner)

It is now necessary that we be furnished with a detailed breakdown of the rehabilitation costs (labor and materials) for each of the six buildings.

Please furnish us with this information at an early date.

Sincerely yours,

H. C. Miller

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

Copy to: Cordero Mining Company
1600 Walnut Street
Philadelphia 3, Pennsylvania

DMEA, Washington, D.C.
Roscoe M. Smith, USGS
A.C.Johnson, Reno

#1165

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Defense Minerals Exploration Administration

C. O. Mittendorf
4624

5371

14X3923, Working Fund, WASHINGTON, D.C.
February 16, 1954

Mr. H. C. Miller, Executive Officer, Field Team, Region III, Defense Minerals Exploration Administration, 1012 Flood Bldg., 870 Market St., San Francisco, Cal.

Urmemo February 2 Cordero Mining.

Agree your suggested procedure obtain breakdown rehabilitation costs on all six buildings. However, we believe only costs applicable to drillers' dwelling can be justified.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

COMittendorf/fw

cc: Admr Reading File
Mails & Files
Mr. Ellis
Mr. Chambers
Mr. Mittendorf

R. C. 2-16-54

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

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

February 2, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-1165X (Mercury)
Cordero Mining Company
New Almaden Quicksilver Mine, Santa Clara County, California
Contract Idm-E64 (Amended)

On January 5, Mr. A. C. Johnson was furnished a copy of your subject letter to me, dated December 31, 1953, and a copy of Sam Williston's letter to you, dated December 16, with instructions to have one of his engineers check the items claimed by Williston and the validity of his allegations.

Mr. J. D. Warne, of Mr. Johnson's office, visited the property on January 22, accompanied by Mr. J. E. Gilbert, Manager, Cordero Mining Company.

In a memorandum to me, dated January 26, Mr. Johnson reports on Mr. Warne's findings. Two copies of that memorandum are attached.

You will note on the second page of Mr. Johnson's memorandum that the company had no written proof or evidence in its files regarding an agreement with Boyles Bros. Drilling Company whereby housing would be provided for the diamond drillers. Mr. Gilbert, however, agreed to attempt to secure written confirmation of such an agreement from Boyles Bros. This was done and there are attached two copies of a letter dated January 25, 1954, from Mr. A. F. Goldsworthy, Manager, Drilling Division, Boyles Bros. Drilling Company, to Mr. J. Eldon Gilbert, and two copies of Mr. Gilbert's transmittal letter to Mr. J. D. Warren (Warne), dated January 28, 1954.

Apparently, some of the rehabilitation work done by the company was necessary in order to house the drillers on the property and to get a more favorable drilling contract. A 100-foot by 25-foot building, however, seems slightly larger than would be needed to house the diamond

drillers. Just why it was necessary to rehabilitate two other 100-foot by 25-foot buildings also is not clear. Furthermore, if the assay building and map vault storage room were not used, according to Mr. Gilbert, why should we allow anything for rehabilitating that building?

I agree with Mr. Johnson that it is doubtful if all of the six buildings or floor space were needed for the project and if any compromise is in order, I would recommend that we allow only the costs of rehabilitating the following:

1 diamond drillers' dwelling
1 dwelling for Bert Mitchell
1 dwelling for McFarland

To do this, the company should be requested to submit detailed costs on the work done on all six buildings and then allow only those incurred in rehabilitating the three cited buildings. If you concur and will let me know, I'll attempt to get that information from Sam Williston's office.

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

Attachments

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

January 26, 1954.

Memorandum

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

From: Chief, Mining Division, Region III

Subject: Docket DMEA-1165 (Mercury) Cordero Mining Company, New Almaden Quicksilver Mine, Santa Clara County, California. Contract Idm-E64 (amended)

In connection with your memorandum dated January 5, 1954, an engineer from this office revisited the Almaden mine property on January 22, 1954, accompanied by Mr. J. E. Gilbert, Manager of the Cordero Mining Company. At this time, as you realize, the Company cannot supply us with the total costs and information as to the break-down of the disallowable items pertaining to the controversial building rehabilitation disallowances. Nor can an inspection of the rehabilitation work definitely prove that $1,608.48 was spent on the work; as $955.75 was spent on labor alone. However, from an inspection of the buildings at this time, it is evident that considerable rehabilitation on them had been done.

The Company's Auditor, Mr. Luther, and Manager, Mr. Gilbert, are unable to determine from their records the break-down of disallowable items on building rehabilitation amounting to a figure of $1,608.48 (which is contained in their correspondence). However, they did supply us with a list of expenditures for building rehabilitation totaling $1,362.71, as follows:

Initial Rehabilitation and Repairs - Almaden

Item No.	Description	Cost
20	20 rolls 90# roofing, Slate kate 10 - 2 x 4 x 14, #1 com, DFSUS green (lumber) 1 x 8 446' " " KD " 4 - 1 x 12 x 10 standard grade	$ 162.72
32	20 - rolls 90# roofing, Green	67.57
	40 - " " Slate Kate roofing	135.14

Initial Rehabilitation and Repairs (Cont'd).

Item No.	Description	Cost
49	4 - 3/8 x 3 carriage bolts 1 - Keg 1 1/2 x 1/2 roofing nails	$ 20.53
--	Labor for rehabilitation and repairs	955.75
--	Crossed with others as explained to our Philadelphia Office. Audit should not reveal the cross in account as made by Washington DMEA auditor (Expenditure unexplained)	21.00
	Total:	$1,362.71

Regarding Mr. Williston's letter to you dated December 16, 1953, some of his claims and statements pertaining to correspondence with Mr. Mittendorf (which we do not have) are too vague and inexplicit to track down at the project site. The following findings are related for your information:

The Company's Palo Alto office does not have written proof, or evidence, that an agreement had been made with Boyles Bros. Drilling Company whereby housing would be provided for the diamond drillers; and it was on this basis that their bid on cost per foot was reached. It was suggested to Mr. Gilbert that written confirmation of the above agreement be obtained from Boyles Bros., if possible, which he agreed to attempt to secure, and he promised to supply you with it.

Inspection of the roofing shows that substantially the quantity of materials listed above was used on extensive repairs to three large "CCC" buildings (of about 100' x 25' size), and three additional smaller dwelling buildings. Roofs were repaired on six buildings which were believed to have been used for the following purposes by Gilbert:

2 warehouse buildings
1 diamond drillers dwelling
1 assaying building
1 dwelling for Bert Mitchell (foreman)
1 dwelling for McFarland (miner)

Flooring and lumber was used for minor repairs to the building

planned for assaying and map storage and for extensive repairs to Bert Mitchell's residence. Access to these buildings could not be gained during this inspection; but the flooring on one end of the assaying and map storage building was not repaired and some new lumber was stored within. At any rate, the lumber used is a minor part of the rehabilitation cost. Bert Mitchell's wife and the McFarland family still reside in the repaired buildings; and Mr. McFarland was present during the inspection.

Mr. Gilbert stated that the combined assay office and map vault storage room were not used. And it is doubtful if all of the six buildings or floor space was needed for the successful completion of the project.

In addition to some of the correspondence pertaining to this subject, this office does not have copies of the audits wherein the disallowances were derived. So it is impossible to check certain items contained within the $1,608.48 worth of original expenditures. Also, the $463.58 worth of disallowed expenditures which were borne by the operator cannot be identified from our records.

To summarize our findings as a result of inspecting the project building, it appears that the bulk of the $1,362.71 shown on the company's books in Palo Alto was actually used on building repairs as they claim in the following amounts:

Roofing and lumber	$ 365.43
Miscellaneous	41.53
Labor	955.75
Total:	$1,362.71

It is presumed that any written evidence which Mr. Gilbert can supply pertaining to the Boyles Bros. Drilling Company contract will provide some basis for reconsidering the previous disallowances.

A. C. Johnson

COPY

J. N. Pew, Jr.
President

S. H. Williston
Vice President

John C. Agnew
Secretary-Treasurer

CORDERO MINING COMPANY
131 University Ave.
Palo Alto, Calif.

January 28, 1954

Mr. J. D. Warren
Mining Division
Bureau of Mines
P.O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract Idm-E-64

Dear Sir:

Enclosed please find the letter from Boyles Bros. Drilling Company which you requested.

We drilled 7761 feet and at 25¢ per foot this would have been $1940.25. This amount would have been in addition to what we paid had no accommodations been available. Three-fourths of this would have been borne by the Government.

I think the letter is self-explanatory.

Very truly yours,

J. Eldon Gilbert
Manager

JEG:L
Enc.

COPY

BOYLES BROS.
DRILLING COMPANY

Diamond Drilling Contractors and Manufacturers

Phone 6-8555 1321 South Main

Salt Lake City 4, Utah

January 25, 1954

Mr. J. Eldon Gilbert
Cordero Mining Company
131 University Avenue
Palo-Alto, California

Dear Mr. Gilbert:

In response to your inquiry regarding the drilling program which we completed last March for your Company, we have checked into our records and have come up with the following information:

The fact that accommodations were available for the men if they wished to use them, very definitely influenced our pricing of the drilling. We have a policy of paying the crews transportation if accommodations are not available; so in this case, it would have meant driving back and forth from San Jose. The fact that some of the men did drive back and forth made no difference on the bid, as they did it on their own and we were not responsible for the transportation.

We only allow transportation for one car per shift, but this usually amounts to approximately $3.00 per shift. There were 811 shifts charged to the job, so that if we had not had the accommodations available, we would have had to bid at least 25¢ per foot more to cover this item.

I am sure this information will help clear your understanding of our bidding procedure, and hope that some time in the near future we can again be of service to you.

Very truly yours

/s/ A. F. Goldsworthy
A. F. Goldsworthy
Manager Drilling Division

AFG:bg

1165

12/31/53

Dear Harold: [Mike]

It is too bad that Sam saw fit to "gig" both you and Talbert. Dal leans over backwards to try to justify operators' claims and still defend his acts before the GAO boys. He laughs off Sam's allegations. I know that your attitude towards the operators is the same and I hope you won't take his remarks too seriously. I would probably be shocked to know what he says about me, but I wouldn't let it bother me too long.

FILE COPY
SURNAME:

Mittendorf

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

H.S. in R.R.

December 31, 1953

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

Dear Mr. Miller:

Enclosed herewith you will please find two copies of Mr. S. H. Williston's letter dated December 16, which is in reply to my letter to him of December 3, 1953.

You will recall that we discussed this controversial case on December 10, when you were in Washington. At that time you were unfamiliar with the contents of my letter of December 3, since the copy of that letter forwarded to your San Francisco office had not reached you prior to leaving for Washington. Nevertheless, I endeavored to convey to you my desire to settle the issues to the mutual satisfaction of both the Government and the operator - to avoid "standing on ceremony" simply because the original application did not contemplate rehabilitation repairs - but to make a sincere attempt to determine if such repairs as were made later were necessary and beneficial to the efficient and orderly prosecution of the exploration work. It was my impression that you concurred in that general approach, and we mutually agreed to await Sam's reply to my letter and then perhaps send an engineer to the project site to check on the validity of whatever additional justification he might present.

It seems to me that he has furnished some explanations in the fifth and sixth paragraphs of page one of his letter which were not in the written record at the time the recent memoranda by yourself and Mr. Johnson were prepared.

From my personal knowledge of the record, this is the first time that the assay office and map vaults have come into the picture, and also that an understanding existed between Williston and Boyle Bros. (orally, perhaps) that housing for the drillers was a factor in reaching agreement on the unit cost of the work. If these allegations can be substantiated, we might find justification to revise our present decision.

Sincerely yours,

C. O. Mittendorf (fw)
Administrator

cc: Docket
Admr Reading File
Mr. Liebert
Mr. Mittendorf
Reg. III FT
Mr. Ellis
Mr. Chambers

COMittendorf/fw
12/31/53

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

RECEIVED
DEC 28 1953

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

December 21, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1165 (Mercury)
Contract Idm-E64 (Amended)
Cordero Mining Company
New Almaden Quicksilver Mine, Santa Clara County, Calif.

Supplementing our memorandum dated December 10, 1953, attached are copies of memoranda from A. C. Johnson to this office, dated March 18, 1953, and April 27, 1953, which contain requests for sight audits in connection with subject project. A copy of Mr. A. C. Johnson's memorandum of December 17, 1953, transmitting attachments to this office, is also enclosed.

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

Attachments 3

Copy to: E. H. Bailey, USGS

2 2 1953

December 17, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Mining Division, Region III

Subject: Docket DMEA-1165 (Mercury) Cordero Mining Co., New Almaden Quicksilver Mine, Santa Clara County, California - Contract Idm-E64 (amended)

In reply to your memorandum dated December 14, 1953, the reference made to my request for a sight audit contained in a memorandum to you dated October 12, 1953 pertains to my memorandums dated March 18, 1953 and April 27, 1953.

It is noted that your records contain these memoranda; however, copies of them are attached as requested by the Operating Committee of the DMEA. No additional correspondence is on file resulting from these requests.

Requests for site audits now appear to have been unnecessary in view of your previous form letter dated October 7, 1952 to the Cordero Mining Company waiving the previous requirement for them to provide documentary support of the monthly report in lieu of interim and final audits to be made by the Audit Division before their final report is processed for payment.

A. C. Johnson

Encls.

COPY

March 18, 1953

Memorandum

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

From: Chief, Mining Division, Region III

Subject: MF-104 - Cordero Mining Company - Idm-E64

Enclosed are four copies each of MF-104 form, Mf-104A form, narrative report and copy of substantiating documents submitted by Mr. J. Eldon Gilbert, Manager of the above captioned company, covering expenses incurred in February under Contract Idm-E64.

It is noted that units and locations of work performed in connection with repairing and replacing old timbers are not shown on MF-104A form or in the narrative report.

In connection with the substantiating bills submitted it appears that the following items should be checked by sight audit for this month as well as previous months:

1. Telephone toll charges, locations and purpose $9.15 charged for February
2. Extras charged in connection with diamond drilling - 24 hrs. compressor delay charge of $180. made in February. Dates of delay and reasons should be shown in substantiating documents or narrative report
3. Basis of monthly charge of $325. made by consulting geologist, Lloyd W. Staples
4. Breakdown and explanation of telephone and other charges made on monthly expense account of Bert Mitchell
5. Basis for charge of $13.71 for credit card purchases from Standard Oil Company for February
6. Basis of $37.30 power charge in account with Pacific Gas and Electric Company and the relation of this charge to the exploration project work.

Charges of $201.37 made under item (3) as "other" on the MF-104 forms for February cannot be reconciled with the substantiating documents.

However, form has been signed and is forwarded for clarification and disposition by your office.

A. C. Johnson

Encls.

COPY

April 27, 1953

Memorandum

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

From: Chief, Mining Division, Region III

Subject: MF-104 - Cordero Mining Company - Idm-E64
Check in the amount of $363.84

Enclosed are four copies of MF-104 form, MF-104A form and one copy of substantiating documents submitted by Mr. J. Eldon Gilbert, Manager of the above captioned company, covering expenses incurred in March under Contract Idm-E64.

It is noted that units and locations of work performed during the month are not shown on MF-104A form and that no narrative report has been submitted by the operator describing exploration work accomplished during March. Exploration work on the project was completed on March 2, 1953, and the operator was engaged in salvaging materials and equipment from the Day tunnel, in which the Government had no equity, at the time of the last inspection on March 5, 1953.

In connection with the substantiating bills submitted it appears that the following items should be checked by sight audit for this month as well as previous months:

1. Labor charges against the project for the month appears excessive. Inspection of the project on March 5 disclosed that work pertaining to exploration and salvage of material in which the Government had an equity had been completed.

2. Basis of a $200. charge for professional services by Lloyd W. Staples.

3. Breakdown and explanation of charges of $93.81 for "Other" for the month. These charges are not properly shown on Form MF-104.

4. Basis of a $29.11 power charge in account with Pacific Gas and Electric Company and the relation of this charge to the exploration project work.

Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III 4/27/53

5. Breakdown and explanation of telephone charges included with substantiating bills - probably included under Item (3) "Other" for the month.

6. Basis of charges of expense account of Bert Mitchell to the amount $19.09.

7. Justification for a monthly salary of $623. per month for Bert Mitchell in connection with his title as "Working Superintendent" during the project.

It has also been noted that Mr. Gilbert signed only the original of MF-104 form and MF-104A form.

Form has been approved and is forwarded for clarification and disposition by your office.

Also enclosed is Check No. 1378, dated April 16, 1953, issued in the amount of $363.84 to the Defense Minerals Exploration Administration, signed by J. Eldon Gilbert, Manager of the Cordero Mining Company. This is evidently the amount the firm figures is due from the sale of equipment, as outlined in your letter of March 26, 1953.

A. C. Johnson

Encls.

J. N. PEW, JR.
PRESIDENT

S. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY

131 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

December 16, 1953

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
United States Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

In connection with your letters of December 3rd and November 27th I might clarify the matter along the lines you mention.

In the preparation of our estimates for the Almaden project we examined the housing and the property. The housing appeared to be in good useable condition. When the diamond drill crew and the Day Tunnel crew moved on to the property, we found evidence that the tar paper roofs on many of the buildings were beginning to crack and that undoubtedly the first rains in the fall would make much of the housing entirely unuseable.

Since it would be much cheaper to make these necessary repairs on these houses rather than to arrange for other housing, we immediately made the repairs so that we would be ready for the rainy season normally starting in the fall.

As the Almaden Mine is located over fifteen miles from San Jose, local housing was desirable and as it is almost customary in mining exploration work, especially when moving men from other districts, to supply housing for the miners, we were expected by the men involved to do it in this case.

In connection with our diamond drill contract, it was definitely understood between ourselves and the contractor (Boyles Brothers) that we would provide housing for the diamond drillers and it was on this basis that their bid on cost per foot was reached. If we had not specified housing we would have had to pay a higher rate per hour for reopening the Day Tunnel and a higher price per foot for all diamond drill work.

The other charge, for flooring, had to do with the replacement of a rotten and termite-infested floor in the building used for assaying and for storage of the Almaden Mine maps. This building had to be used since the map vault was a part of the building, and the flooring in the other part of the building, used for assaying, was dangerously unsafe.

The other items of a much smaller total amount, were more in the nature of necessary maintenance than they were of rehabilitation.

There is absolutely no doubt whatsoever that these expenditures were reasonable and necessary. If we had failed to make them and endeavored to make other arrangements in regard to maps, etc., and amendments to the diamond

drill contract, the overall cost would have been very materially in escess of the amount here involved.

I think it again advisable to emphasize the fact that in our early report on this project exact copies of every expenditure were supplied to the DMEA team and each month the report was discussed in its pencil stage to make sure that everything was in order. It was in this way that invoices were brought up regarding "allowable supervision", "wage rates", etc. There can hardly be any doubt that the DMEA team was fully familiar with what we were doing and, since they questioned certain items at that time and had full information on the roof and floor repairs, that it was reasonable for us to feel that these latter expenses were not questionable.

In answering your specific questions on Page 2 it is, therefore, correct that at the time we made the estimate no rehabilitation was contemplated. It is also correct that when we occupied the houses at a later date it was only then determined that the roofs leaked and that one floor needed replacement. It is also a fact that our diamond drill contract was based on our supplying housing for the workers and it is also customary in all our exploration work to supply housing for our underground workers.

Insofar as Paragraph 2 is concerned, as I pointed out above, the original examination of the housing indicated that no repairs would be needed and it was on that basis that I originally suggested the quotation, "It will not be necessary to rehabilitate any of the buildings or facilities on the property for this exploration work." Candidly, it did not occur to me at the time it went in that this would be interpreted so broadly as to deny nominal building maintenance. When you realize that this $1600 stretched out over almost twenty months I think you will recognize the fact that it was an exceedingly low maintenance.

As you mention in your letter, almost all of this rehabilitation was completed and included in other accounts long before your new form was used which set up "Rehabilitation" and items were included in this account which we normally, in our own bookkeeping, set up as a "General Maintenance" account.

Insofar as the audits are concerned, you state that the Western audit was not as complete as the Eastern audit; actually this is not the case. Copies of all the information available in Philadelphia were also available in California. The audit made in Palo Alto was fully as complete as the one made in the East but it was done a great deal more intelligently. The West Coast auditor was familiar with mining and mining problems. Your Eastern auditor, on the other hand, at that time, had had almost no experience with metal mining or metal mine exploration.

I was quite familiar with the fact that a final audit would be made and upon the conclusion of your audit, although many small amounts were disallowed which were legitimate, we made prompt payment on anything which could conceiv-

ably be disallowed. It was only on these few items which I find to be clearly necessary, reasonable and essential for the proper conduct of the project that I raised the question.

It is unfortunate that the Bureau of Mines' member of the DMEA team here in San Francisco is primarily a petroleum man rather than a mining man. I think much of this difficulty is attributable to his lack of actual experience with mining but I do not believe that we should be penalized because of that fact.

Very truly yours,

S. H. Williston

SHW:L

cc - Mr. Donald P. Jones, Philadelphia

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

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

December 10, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1165 (Mercury)
Contract Idm-E64 (Amended)
Cordero Mining Company
New Almaden Quicksilver Mine, Santa Clara County, Calif.

In response to your letter of December 2, we are attaching two copies of the Operator's narrative report for October 1951, two copies of which our records indicate were sent to you with the MF-104 report for the month of October 1951.

We are endeavoring to locate in our files the request for a site audit as mentioned in Mr. Johnson's memorandum of October 12, 1953. A copy of this request will be sent to you if we are able to locate it.

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

Attachment

Copy to: E. H. Bailey, USGS

C
O
P
Y

November 14, 1951

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Re: New Almaden Mine (Mercury)
Almaden, Santa Clara County
California

1165X - Contract IDM-E-64

Dear Sir:

Progress of the work at the New Almaden Mine for the month of October follows:

During the month 200 additional feet of Day Tunnel were reopened to make a total of 300 feet. Most of this was in bad ground and required timbering. However, a small section was found open and only required cleaning up and occasional timbers replaced.

Diamond Drill Hole No. 1 was finished at a depth of 393 feet. No cinnabar was encountered but the general geology encountered checked very well with that predicted by E. H. Bailey and R. F. Johnson of the U. S. Geological Survey.

Hole No. 2 was started at -

Coordinate - 2705 N

3515 W

Elevation - 1455 feet

Direction and inclination - West Down 60 degrees

During the month 573 feet were drilled. The first 382 feet was Size N. X. and was cased, beyond this it was drilled Size BX. The hole caved at at about 400 feet and it was decided to case this section with B. X. casings and finish drilling with A. X.

Logs of the holes are enclosed.

On the accompanying financial report only 268 feet of drilling is shown as paid. This is because invoicing on the rest of the drilling was not received by the end of October.

C
O
P
Y

November 14, 1951

Mr. A. C. Johnson, Chief
Mining Division
Bureau of Mines
P. O. Box 1551
Reno, Nevada

Under the heading, "Rehabilitation and preparation" has been placed preparation of drill sites, emergency road repair, roof patching on drillers' and employees' house, and water line repairs. Where the Company-owned "Cat" or truck was used no charge was made.

Very truly yours,

J. E. Gilbert
Manager
By Joseph J. Boyle

JEG:L
Enc.
Original and 3 copies of letter
5 copies of Form MF-104
5 copies of Log

FILE COPY
SURNAME:

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

DEC 3 - 1953

Mr. A. W. Williston, Vice-President
Cordero Mining Company
1600 Walnut Street
Philadelphia 3, Pennsylvania

Re: Docket No. 1867-1164
(Mercury)
Contract Ida-64 (Amended)

Dear Mr. Williston:

Reference is made to Mr. Liebert's letter dated October 6, 1953, which acknowledged receipt of your letter addressed to Mr. Felix Wormser under date of September 30, 1953. Mr. Liebert informed you that my office had been requested to make a complete review of the case in light of the statements contained in your letter to Mr. Wormser, and he conveyed the expectation that my reply would follow in a few days. My letter of November 27 explained the cause of this delayed answer.

Because of my deep interest in this case and the nature of your protest which we first discussed during your visit to my office on May 11, I wished to personally review the entire history starting with the original application and carrying through to the final audit of the project. In the course of this review it became necessary for me to request additional information from the Regional Office at San Francisco on October 7 and again on November 2. It is my belief that all the facts are now in hand - that is, insofar as such facts can be furnished by Government personnel who were officially concerned with the New Almaden exploration project.

The area of difference which is the subject of recent correspondence concerns the disallowance of $ 1,661.06 of expenditures made for rehabilitation of living quarters. The suspension of that amount (plus other items aggregating $ 463.58) has resulted in the demand for $ 1,000.48, representing the overpayment made by the Government for its 75 percent participation in the project costs.

According to the audit report, such rehabilitation consisted of new roofing, flooring, room partitions, and plumbing materials installed in existing buildings. Although you concede that no such rehabilitation expense was authorized under the terms of the exploration contract, you submit that such expenditures were the proper

R.C.B.
12-3-53

subject of an amendment to your contract. You consider that, in the absence of any such amendment specifically authorizing the rehabilitation cost, the mere fact that payment of the item was made by the DMEA field representatives constitutes approval of your claim for reimbursement and, consequently, you contest the propriety of the Executive Officer's request for the refund of $1,605.46.

After a thorough review of the case, my conclusions may be summarized as follows:

1. It is not the policy of DMEA to participate in the costs of living expenses (either quarters or subsistence) for persons engaged in the prosecution of the exploration work unless extenuating circumstances justify, and then only when such expenditures are specifically authorized in the contract. "Extenuating circumstances" as here used might consist of necessary quarters on isolated projects (such as in Alaska) which are far removed from community centers; cases where labor wage agreements provide for housing and subsistence; or, for instance, when the terms of subcontracts (such as drilling contracts) include housing as a consideration in the unit price agreed upon between the contracting parties.

2. Article 10 of the contract states that "the costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work." There is no reference in your application to indicate any intent to provide living quarters for your employees or the subcontractor, as a necessary cost of the project work, nor was there any intent on the part of the Government to approve any such costs under the original contract; in fact the original contract specifically stated "It will not be necessary to rehabilitate any of the buildings or facilities on the property for this exploration work."

A careful review of all the docketed material, and more recent inquiries directed to the field personnel who were responsible for the administration of the contract, have failed to disclose any evidence of an extenuating circumstance which developed after the contract was executed that now might be used to justify the rehabilitation costs as a proper cost necessary for the completion of the project.

I can very well appreciate your perplexity as to why the rehabilitation costs were reimbursed without apparent question late in 1951 and were later suspended upon audit after the project was completed. I shall endeavor to explain why such a situation is not at all unusual.

As you might recall, the original Operator's Monthly Progress Report (MF-104, Apr. 1951) was designed rather hurriedly during the DMA period, before a Contract Administration and Audit Division had been established. It was adopted without collaboration with the General Accounting Office. The operator's claims for reimbursements did not require documentation, nor were initial building repairs reported as a line item on the form. Such expenditures were reported under headings such as "Wages and Salaries", "Other Supplies", etc., and were almost impossible of identification without a complete audit of the operator's books. These defects were immediately recognized upon the establishment of the Contract Administration and Audit Division and steps were taken at once to correct them. The original Form 104 was superseded by revised Forms 104 and a new Form 104-A in April 1952 and thereafter "Initial Rehabilitation and Repairs" was reported separately. Your docket reveals that the new forms were first used by Mr. Gilbert in reporting expenditures for May 1952 and at that time the sum of $1,362.71 of prior expenditures was redistributed to "Initial Rehabilitation and Repairs".

Experience had indicated that the new requirement to document expenditures created problems in many projects and had the effect of delaying reimbursement to operators to a point where severe financial hardships resulted. In order to alleviate the situation, and to relieve the Executive Officers and Certifying Officers of prime responsibility for the propriety of payments made to operators, an understanding was reached with the General Accounting Office whereby all monthly reimbursements were considered as provisional payments toward the total approved cost of a project, the propriety of all such payments to be determined by an audit by the DMEA Contract Administration and Audit Division upon completion of the project, subject, of course, to final settlement by the General Accounting Office as provided by law. At the same time, all Executive Officers were delegated authority to waive further documentation in any case where such waiver was deemed desirable for more effective administration of the contract. Our records reveal that Mr. Miller, by letter dated October 7, 1952, addressed to Mr. Gilbert, waived documentation requirements and advised that an audit would be made upon termination of the contract before your final report was processed for payment.

Upon request of the Regional Office, the audit was performed by the Washington Office of DMEA, who had closer access to your main files at Philadelphia. The visit of our Regional Auditor to your Palo Alto office was made for the purpose of verifying the location of complete records before the Philadelphia audit was undertaken and in no sense constituted an audit or implied that he had approved the rehabilitation costs.

I wish to point out that Article 11 of the original contract (Article 7(d) of amended contract) specifically provides for an audit of the operator's records and accounts. I hope that you can agree with me, that no purpose whatsoever could be served by performing such an audit, which is mandatory under rules laid down by the General Accounting Office, if the actions on the part of DMEA field representatives were always to be considered as final.

I wish to reiterate that this matter has been given serious study. Letters have been written to the Executive Officer of the Field Team of Region III for any information which might justify the allowance of the claimed cost. The Executive Officer has not been able to present a justification of the items under consideration.

It was my understanding during our conversation on May 11 that you would furnish the reasons why it became necessary to rehabilitate buildings although your application for the contract specifically stated that no rehabilitation of buildings would be needed and such statement was specifically put in the contract itself.

As you know, under the law (31 U.S.C. Sec. 71) the General Accounting Office makes the final audit and settlement of these contracts. I am convinced that the Comptroller General would not support the allowance of the controversial items based on the evidence at hand. If you can furnish a strong justification of how enhancing circumstances made it necessary to make the questioned expenditure, notwithstanding the terms of the contract, I shall be glad to give the matter further consideration and if necessary submit the case to the Comptroller General, along with all the available information which we have, for final settlement.

I regret my inability to come to a conclusion which would conform to your contentions in this matter.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Copy to Palo Alto, California

COMittendorf/wb
December 2, 1953

Copy to: Docket
Admr. Reading File
Mr. Liebert, Room 6654
Administrator
Region III Field Team
Mr. Ellis
Mr. Chambers

FILE COPY
SURNAME:

Murphy
Selfridge
Selfridge
Wolfendorf

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

DEC 2 - 1953

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

Re: Docket No. DMA-1165 (Mercury)
Contract No. Ion-0 (Amended)
Cordero Mining Company
New Almaden Quicksilver Mine
Santa Clara County, California

Dear Mr. Miller:

In reviewing data concerning the above-docketed project we find that our files do not contain the operator's narrative report for October 1951. This report is mentioned in Mr. A. C. Johnson's memorandum to you dated October 12, 1953.

Will you kindly forward a copy of the missing narrative to this office as soon as possible. Also, we would like to have a copy of the request for a sight audit mentioned in Mr. Johnson's memorandum and any additional letters or memoranda resulting from this request.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2HB)

Concurred:

J. H. Hedges (DHB)
Member, Bureau of Mines

D. M. Larrabee (2HB)
Member, Geological Survey

HMurphy/db
12-2-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H. M. Meyer, Rm. 3623
A. R. Kinkel, Rm. B-2h2A, GSA
Ellis
Murphy

R.C.M. 12-2-53

FILE COPY
SURNAME:

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

NOV 27 1953 1165

Mr. S. H. Williston
Vice President
Cordero Mining Company
131 University Avenue
Palo Alto, California

Dear Mr. Williston:

The purpose of this letter is to inform you that I have not overlooked the matters raised in your letter to Assistant Secretary Felix Wormser dated September 30, 1953, and at the same time to account for the delay in my formal reply.

I returned to Washington on October 7 and decided at that time to undertake a personal review of the case. Unfortunately, I became ill with a virus infection shortly thereafter which put me out of circulation for two weeks and only worsened an already bad situation caused by the accumulation of matters requiring attention which developed during my trip to the West Coast.

I have completed the review of the Cordero case and have documented my findings. In order that every aspect of the case be considered very thoroughly before making a final decision, I have requested both Mr. Chambers, Chief of the Contract Administration and Audit Division, and Mr. Hoffland, Chief Counsel, to review the conclusions I have reached. You may expect to hear further from me next week.

With kindest personal regards,

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Copy to Philadelphia office.

COMittendorf/fw
11/27/53
cc: Admr Reading File
Mails & Files
Mr. Liebert
F.T.Reg.III

Rare Metals Div.
Mr. Mittendorf

11-27-53

FILE COPY
SURNAME:

Hofflund (amd)

140

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

Mr. S. H. Williston, Vice-President
Cordero Mining Company
1600 Walnut Street
Philadelphia 3, Pennsylvania

Re: Docket No. DMEA-1165
(Mercury)
Contract Idm-E64 (Amended)

Dear Mr. Williston:

In your letter to Assistant Secretary Wormser, dated September 30, you have complained concerning the disallowance by Government auditors of certain items of "rehabilitation" in the sum of some $1,600.00. By reply to you dated October 6, Mr. John G. Liebert, Special Assistant to Assistant Secretary Wormser, advised you that my office was making a complete review of the contract in regard to this matter, and that you could expect a reply within a few days.

I have been unable to reply within a few days, because shortly after my return to Washington on October 7 from a trip to the West Coast, I was compelled to stay at home until October 26 on account of illness. Also, I found it necessary to obtain additional information from the Regional Office at San Francisco.

The subject contract has been amended several times. In its original form, the contract (Exhibit "A", page 3) expressly provided that: "It will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work." Thus it is plain that when the contract was written no rehabilitation of buildings or facilities was contemplated or provided for. Likewise, when the contract was amended under date of December 10, 1952, effective as of the date of the original contract, no provision was made for any rehabilitation of buildings or facilities. However, in the early part of the work you incurred costs for the rehabilitation of certain living quarters in the sum of $1,681.06. The Government auditors disallowed these expenditures plus additional items in the sum of $463.58 (to which I understand you do not object), making a total

Please place this in docket, for record.

fw

disallowance in the sum of $2,144.64, to which the Government contributed 75 percent, or the sum of $1,608.48 which it has now charged back to your account upon final audit.

DMEA is not authorized to contribute to the costs of any exploration work except under the provisions of an exploration project contract entered into pursuant to DMEA Order 1. Should any such payment be made, not supported by the contract, the General Accounting Office would promptly take an exception to it and would hold the disbursing officer accountable. Although it is plain that the contract makes no provision for such costs as you now claim, yet you contend, on the one hand, that they were allowed and paid in connection with your first voucher for the Government's contribution, and on the other hand, that the contract could have been amended to cover them.

The fact that the costs were included in and paid on your first voucher is not sufficient to authorize this agency to permit the payment to stand upon a final audit of contract. In the first place, the voucher and report forms then used (MF-104, April 1951) did not require a separate itemization of costs expended on account of initial rehabilitation and repairs. Consequently, a casual inspection of such report and voucher did not disclose that these items of cost were for something other than ordinary exploration work. In the second place, it is plain from the contract form that no account is deemed to be settled until the final audit. Moreover, by letter dated August 7, 1952, addressed to your Mr. Gilbert, Mr. Miller advised you that documentation of current vouchers was waived but that a final audit would be made before your final voucher would be processed for payment. This final audit revealed that the items disallowed were not provided for in the contract.

As to your contention that the contract might have been amended to cover these items of cost, even assuming that it is true, this would not authorize the allowance of these items in view of the fact that the contract was not so amended. Moreover, the responsible officers in the field have made it plain that they would not have considered repairs and rehabilitation of living quarters as necessary in connection with this particular contract, and would not have approved a proposal for such an amendment. At any rate, DMEA has no authority to make payments on account of a contract or amendment to a contract that might have been entered

into but was not. A similar contention is frequently made with respect to costs incurred by an operator before the date of the exploration project contract. When we disallow such costs, the operator contends that they would have been allowed if he had applied for and entered into the contract before the costs were incurred. The fact remains, however, that DMEA has no authority to allow such costs: costs incurred before the date of the contract or costs incurred that are not provided for in the contract.

I regret my inability to come to a conclusion which would conform to your contentions in this matter. I do not doubt that you have sincerely supposed that these costs would be proper in the exploration project contract. I do hope that I could not be expected to convince you that I could reach any other conclusion. A Government official concerned with the disbursement of Federal funds is necessarily controlled by the regulations and contract documents under which he operates, and can fail to conform to the requirements only at his own risk. Moreover, the Government has paid 75 percent (as you know, many contracts are on a 50-50 basis) of the costs of this exploration work, which may to some extent mollify you if you still feel that the action I have here taken could have been avoided.

Sincerely yours,

Administrator

JLHofflund/emd
11/24/53
Copy to: Dokket
Adm. R. File
C. O. Mittendorf
H. C. Miller, Reg. III (2)
E. W. Ellis
Felix Wormser
J. G. Liebert
J. L. Hofflund
chron.
pending
J. L. Chambers

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1953

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

November 6, 1953

Air Mail

Memorandum

To: Frank E. Johnson, Deputy Administrator, DMEA,
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-1165 (Mercury)
Cordero Mining Company
New Almaden Quicksilver Mine
Santa Clara County, California
Contract Idm-E64 (Amended)

Reference is made to your teletype, dated November 2, 1953, concerning rehabilitation work done at the New Almaden mine during the time Contract Idm-E64 was in force.

I have again taken the matter up with Mr. A. C. Johnson whose engineers inspected the progress made under the contract.

I now have Mr. Johnson's further reply and two copies of his memorandum to me, dated November 5, 1953, are attached.

Mr. Johnson is definitely of the opinion that the cost of the rehabilitation should not be allowed.

As to your question-"If an amendment had been requested, would you have recommended approval?"- my answer is "No" pending proof of the damage done by the storm and an examination of the need for the rehabilitation by one of our engineers. Inasmuch as the contract specifically allows no rehabilitation, I then would have taken the matter up with you if our engineer had reported that the work was necessary to carry out the provisions of the contract. Regardless of whether the work was necessary or not I would have known that I had no authority to draw up such an amendment.

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

Attachment

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 1953

November 5, 1953.

Memorandum

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

From: Chief, Mining Division, Region III

Subject: Docket No. DMA-1165X Mercury Cordero Mining Company New Almaden Quicksilver Mine, Santa Clara Co., California Contract Idm-E64 (Amended)

In reference to your memorandum of November 4: It is rather difficult to cover the subject more fully than you did in your memorandum to Frank E. Johnson under date of October 19, 1953.

The contract definitely states in Exhibit "A", Page 3, under the heading Fixtures and Improvements:

"It will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work."

This is sufficient justification to eliminate the claim, as there has been no amendment covering the work.

Mr. Trengove of my office was the inspecting engineer at the time the supposed rehabilitation work was done on the dwellings. The rehabilitation work was not inspected by the engineer, as he was not aware that this work was being done. There was no mention of any storm that had done damage to the dwellings.

As the contract definitely states that it will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work, it is hard to understand how a storm could cause damage to the amount of $1,681.06 for rehabilitation. This amount certainly seems excessive and you can be assured that no recommendations for approval would have been made to do this work by my office.

Mr. Trengove has also informed me that Mr. Mitchell, the Superintendent, was well housed as well as the rest of the employees working on

this project. It is also my understanding that the diamond drillers had two trailers and were living in them and were using the quarters that had been assigned to them for office space and storage of their equipment. San Jose is only 12 miles distant from the project, and in the event that there was not suitable housing at the project, in all likelihood the personnel could have found living quarters there.

I do not believe that it is a function of the Government under DMEA to repair and rehabilitate dwellings on properties that are owned by mining companies.

There are no stipulations in the diamond drill contract with Boyles Brothers that indicated that the mining company would be responsible for housing the personnel working on their independent contract.

I am still of the opinion that the claim should be disallowed.

A. C. Johnson.

FILE COPY
SURNAME: 912

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Frank E. Johnson
5369 4624

14X3923.970
~~October 22~~, 1953
November 2,

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

REURLET OCTOBER 19, DMEA-1165, CORDERO MINING COMPANY. YOUR LETTER DOES NOT GIVE SATISFACTORY JUSTIFICATION FOR DISALLOWING CLAIMS. PLEASE ADVISE PROMPTLY IF REHABILITATION OF LIVING QUARTERS WAS REASONABLE AND NECESSARY. WAS REHABILITATION WORK INSPECTED BY A FIELD TEAM REPRESENTATIVE? IF AN AMENDMENT HAD BEEN REQUESTED WOULD YOU HAVE RECOMMENDED APPROVAL?

FRANK E. JOHNSON (B.J.H.)

Frank E. Johnson
~~Acting~~ Administrator
Deputy

FEJohnson/bih
cc to: Docket
Admr. Reading File
Messrs. Mittendorf
Ellis
FEJohnson
Confirmation

R.C. 11-2-53

FILE COPY
SURNAME: MDA

Talbert
Chambers

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

October 23, 1953

Memorandum

To: Mr. Frank E. Johnson
Acting Administrator

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMA-1165X, Contract No. Idm-F64,
Cordero Mining Company, New Almaden Mine
Santa Clara County, California (Mercury)

You have informally advised me that Mr. S. N. Williston, Vice President, of the Cordero Mining Company has protested formally to the Assistant Secretary certain of the disallowances made in this Division's audit of the referenced exploration project contract.

This audit, which was covered by an Audit Report and Certificate dated May 11, 1953, was performed at the Philadelphia offices of the Company during the period of May 4 to 7, 1953, by Mr. E. D. Talbert, an auditor representative of this Division.

There follows the bases on which the auditor made the disallowances and also additional facts and background which are necessary for a full understanding for judging the equity of Mr. Williston's request for an overruling of the audit conclusions:

(1) Costs claimed ($1,362.71) for Initial Rehabilitation and Repairs in the Totals to Date column of the final Operator's Monthly Report and Voucher, Form MF-104, were found by audit of the Operator's records to consist of the following items:

Vou. 10-63, Check SF-8 dated October 29, 1951, Southern Lumber Co. for lumber and roofing			$ 162.72
Vou. 10-91, Check SF-14 dated Nov. 15, 1951, Bert Mitchell for hardware and plumbing mat'ls.			21.00
Vou. 12-18, Check SF-35 dated Dec. 7, 1951, Southern Lumber Co. for lumber and roofing			202.71
Vou. 1-99, Check SF-90 dated Feb. 4, 1951, Southern Lumber Co. for hardware			20.53
Payroll charges (Aug. and Sept., 1951):			
N. J. L. Mitchell	3/4 mo.	$400/mo.	300.00
D. Gardelius	3/4 mo.	$325/mo.	243.75
E. Starks	96 hrs.	$1.50/hr.	144.00
" "	12 hrs.	$2.25/hr.	27.00

R.C.S. 10-23-53

Payroll charges (Oct., 1951):			
E. Starks	66-2/3 hrs.	$1.50/hr.	100.00
Payroll charges (Nov.,1951):			
E. Starks	94 hrs.	$1.50/hr.	141.00
Total claimed			$1,362.71

(2) The audit disclosed that the following item, claimed by the Operator under Operating Materials and Supplies (Timber) properly was classifiable as Initial Rehabilitation and Repairs:

Part of Vou. S-77, Check 8690, paid Sept. 11, 1951, Southern Lumber Co. for lumber, flooring and roofing $256.99 1619.71

(3) The contract provides that "It will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work." Accordingly the auditor determined that, unless there had been either formal or implied approval by the Government of the rehabilitation and repair work, the foregoing items of costs plus the pertinent portion of the payroll taxes and insurance were not allowable costs in which the Government could participate under the terms of the project contract.

(4) During the course of the audit the Operator's bookkeeper, Mr. Joseph J. Boyle, made a search of the Company's files for any evidence of either a request by the Operator or approval by the Government for any repair or rehabilitation work. He could locate neither.

(5) On the final day of the audit, May 7, 1953, the auditor, accompanied by the Company's bookkeeper, visited Mr. Williston for the purpose of obtaining clarification or explanation of various questionable items of costs, amounting to over $3,000.00 in total, disclosed by the audit. Mr. Williston was very cooperative on all of the auditor's questions, with the exception of those pertaining to the repair and rehabilitation costs. On all other items involved either the auditor determined the costs to be allowable or Mr. Williston concurred in their disallowance.

(6) When the auditor requested an explanation of the costs for rehabilitation and repairs, Mr. Williston explained that the buildings were an old C.C.C. camp which had deteriorated considerably since their previous use and that it was necessary to repair the roofs, replace flooring, install partitions and restore plumbing facilities in order to make them habitable for the employees and supervisors of the Company and the drilling contractor. When his attention was called to the clause in the contract, he stated that was only an estimate of existing conditions made at the time of the application and neither the Operator nor the Government were bound by such estimates.

(7) The auditor then advised Mr. Williston that, unless he could show some formal or implied amendment to the contract to permit the costs in question, there was no alternative but to disallow the following amounts:

Labor and Supervision	$ 955.75
Supplies and Materials	663.96
Insurance (on labor and supervision)	43.63
Payroll Taxes (on one laborer)	17.72
Total	$1,681.06

Mr. Williston then figuratively "exploded" and stated that he would come to Washington within a few days and have Mr. Mittendorf order the auditor to allow these costs. He adamantly refused to discuss the item further and stated that, like all Government auditors, this auditor was required to make his salary by disallowances.

(8) Subsequent to the release of the audit report and a request from Mr. Miller, the Executive Officer of the Region III Field Team, for a refund of the overpayment, the Sun Oil Company's Comptroller, Mr. Donald E. Jones, stated in letters dated May 20, 1953 and August 14, 1953 that the rehabilitation and repair costs were discussed with, and received the approval of, both Mr. Miller and Mr. Norvelle, the regional Finance Officer, prior to the incurring of the expenditures. Mr. Miller by letter of August 31, 1953 to the Company's Comptroller strongly protested this allegation.

(9) The Company's Comptroller in the same letters insists that Mr. Miller's approval and Mr. Norvelle's certification of the monthly vouchers, in which these costs were included, had the same force as a written amendment to the contract. Mr. Miller has refuted this claim. His position is supported by these facts:

(a) At the time these costs were claimed, i. e., during the calendar year 1951, the monthly vouchers were not required to be supported by documentary proof of the costs claimed;

(b) The MF-104 (April 1951) form in use at that time did not include a separate line item for rehabilitation and repair costs with the result that such costs were hidden under Wages and Salaries and Other Supplies;

(c) Article 11 of the contract specifically provides for an audit of the Operator's records and accounts; and

(d) By letter dated October 7, 1952, Mr. Miller waived documentation requirements in accordance with DMA Circular 19 and again specifically advised the Cordero Mining Company that a final audit would be made upon completion or termination of the contract.

(10) It appears that the following facts are also for consideration in support of the disallowance:

(a) It has not been the policy to allow living expenses (either quarters or subsistence) as a cost in which the Government will participate, except in extenuating circumstances, and then only when specified in the contract;

(b) There is nothing in the application or the contract for this project to indicate any intent to provide living quarters for the employees of the Operator and the subcontractor;

(c) The contract with Boyles Bros. Drilling Co, dated August 22, 1951, does not provide for the Operator to furnish living quarters;

(d) The project is ten miles south, over good roads, from the city of San Jose, California, and closer to the towns of New Almaden, Los Gatos, and others, all well within easy commuting distance; and

(e) Article 10 of the contract specifically states that "The cost of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work", and the Cordero Mining Company has presented no evidence that the costs of providing living quarters at this project falls within this limitation.

(11) Furthermore that the Operator was fully aware of necessity for amending the contract or obtaining prior approval for variations in work or costs is indicated by:

(a) Mr. Williston's letter of October 31, 1951, requesting that the contract be amended to provide for increases in salary and wage rates, which was done by a letter dated November 7, 1951 by Mr. Miller;

(b) Amendment No. 2, dated April 14, 1952, providing for a change in the location of drill holes; and

(c) An Amended Contract, dated December, 1952, restating the original agreement due to unforeseen difficulties encountered in the reopening of the Day tunnel.

EDTalbert/wb
October 23, 1953

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers
Mr. Talbert

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

mds

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

October 21, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Final Reports - Docket No. DMEA-1165X (Mercury)
Cordero Mining Company
New Almaden Quicksilver Mine
Santa Clara County, California
Contract Idm-E64 (Amended)

Attached are four copies of Final Report on the above project submitted by John D. Warne, Mining Engineer, U. S. Bureau of Mines, and Earl Pampeyan, Geologist, U. S. Geological Survey, dated October 13, 1953.

There is also attached the final report on this property by Lloyd W. Staples, Consulting Geologist, and Donald L. Curry, Assistant Resident Geologist, dated April 15, 1953.

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

Attachments

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno
George Lavor
F. Horton

Note: See attached envelope for "Final Report" mentioned.

Reviewed by
DMEA OPERATING COMMITTEE
10-30-53
(date)

FINAL F.T. Rpt.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

Final Report

Contract Idm-E64

DMEA-1165X, Cordero Mining Company

New Almaden Quicksilver Mine

Santa Clara County, California

John D. Warne, Mining Engineer
U. S. Bureau of Mines

Earl Pampeyan, Geologist
U. S. Geological Survey

October 13, 1953

Reviewed by
DMEA OPERATING COMMITTEE
10-30-53
(date)

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APPENDIX "A" - Diamond drill hole logs as furnished by the Cordero Mining Company

APPENDIX "B" - Operator's final report (Cordero Mining Company)

Reviewed by
DMEA OPERATIONS COMMITTEE
10-30-53
(date)

ILLUSTRATIONS

Figure No.	Description
1	Index map
2	Locations of surface diamond drill holes
3	Map showing monthly progress reopening Day Tunnel

Plate No.	
1	Map and cross-section of part of the New Almaden Mine area
2	Cross-sections through surface diamond drill holes 1 - 11
3	Map and cross-section of the American Mine area showing location of surface diamond drill holes 12 and 13
4	Geologic map of part of 800' level showing underground diamond drill holes and structure contours on the intrusive contact (Structure D)
5	Cross-sections through underground diamond drill holes 1 - 6, 8 - 10

FINAL REPORT

Docket No.: DMEA-1165X (Mercury)

Contract No.: Idm-E64

Name and address of operator: Cordero Mining Company,
131 University Avenue,
Palo Alto, California.

Name and location of property: New Almaden Quicksilver Mine,
10 miles south of San Jose,
Santa Clara County, California.

SUMMARY AND CONLUSIONS

Exploration for mercury by diamond drilling at the New Almaden Mine, located in Santa Clara County, California (fig. 1) was begun August 15, 1951 and completed March 15, 1953.

A total of 23 diamond drill holes aggregating 7,761 feet was drilled from underground and surface sites; and 2,745 feet of the Day Tunnel was reopened. (Figures 2 and 3, and Plates 1 to 5 inclusive illustrate the locations and geologic aspects of the project).

The total cost of the project, as reported monthly by the operator, was $111,507.74, of which the Government's participation share would be $83,630.80. Only Stage I of the program was completed because of failure to encounter new ore bodies for further exploration.

No new deposits of mercury mineralization were discovered.

The cost of the exploration operations is considered excessive.

RECOMMENDATIONS

No further exploration or development work is warranted.

As this exploration project was unsuccessful, the Government is not entitled to royalties from production.

Production is not economically feasible.

DESCRIPTION OF WORK COMPLETED

The project was begun on August 15, 1951 and completed on March 15, 1953. A total of 7,760 feet of diamond drilling was done in connection with this program. Thirteen surface drill holes, aggregating 5,080 feet, were completed during the period September 10, 1951 to June 17, 1952; and ten underground holes, were drilled from the Day Tunnel level, from October 2, 1952 to March 2, 1953.

The Day Tunnel was reopened, from its portal, a distance of 2,745 feet during the period August 15, 1951 to October 31, 1952 to afford underground drill stations; and maintenance work was performed within the tunnel from November 1, 1952 until the termination of the project on March 15, 1953.

The various types of work performed are described separately in this report.

Surface Diamond Drilling:

The surface diamond drilling phase of the program consisted of thirteen holes which were located as shown in figure 2. Plates Nos. 1

to 3 (included with the geologic section of this report) illustrate the objectives and strata intercepted by these holes. Table No. 1 shows the pertinent surface diamond drill hole data.

Underground Diamond Drilling:

The locations of the ten underground diamond drill holes are shown in Plate 4; and cross sections of these holes are illustrated in Plate 5 (plates included with geologic section of this report.) General data pertaining to these holes is included in Table II.

Reopening the Day Tunnel:

Work on reopening the Day Tunnel was begun August 15, 1951 and was completed on August 27, 1952 to a point 1,590 feet from the portal. At this point the last caved portion of the tunnel was rehabilitated. Rail and air line was then installed within the tunnel to the first underground drill station - about 2,500 feet from the portal (for holes Nos. 1-6 incl.)

Opening of the Santa Rita crosscut was begun September 11, 1952 and was completed October 31, 1952. The crosscut was then advanced 30 feet further and a diamond drill station (for hole No. 7) prepared by November 26, 1952.

Additional rail and air line was installed in the Day Tunnel on January 24, 1953 to the drill site for holes 8, 9, and 10.

The rehabilitation work, crosscutting, and installations were performed by five men (including a superintendent) working six days per week. A two-man crew was retained for maintenance work until the completion of

TABLE I

Surface Diamond Drill Hole Data

Hole No.	Period Drilled	Location Coordinates	Bearing	Incli-nation	Length Feet	Formation Summary Log
1	9-10-51	2614N	N84W	60°	393	0-28, Jfs; 28-50, dolomite veins; 50-139, Jfss; 139-175, Jsp; 175-325, Jf; 325-393, Jsp
2	10-15-51 11-27-51	2697N	West	60°	573	0-58, dolomite vein; 58-118, Jsp; 118-168, Tsc; 168-333, Jfg & Jfmh; 333-400, Sp-Sc; 400-573, Jfs; 400-429, HgS trace
3	11-5-51 12-6-51	2592N 3245W	Vertical		334	0-64, Tsc; 64-84, Jfs; 84-139, Tsc; 139-242, Jfg; 242-278, Jfs; 278-334, Jfg
4	12-7-51 12-21-51	2541N 3984W	N55W	60°	312	0-32, dolomite vein; 32-50, Jsp; 50-59, Jfg; 59-79, Sp-Sc; 79-110, Jfg; 110-263, Jfs; 263-312, Jsp; 69-70, HgS trace
5	12-22-51 1-4-52	792N 4245W	N13W	60°	312	0-240, Jfs; 240-312, Jsp
6	1-5-52 1-11-52	963N 4240W	N24W	60°	218	0-170, Jfs; 170-218, Jsp
7	1-12-52 2-5-52	833N 4106W	N52W	87°	283	0-248, Jfs; 248-283, Jsp
8	2-7-52 2-26-52	550N 4249N	N11W	60°	380	0-135, Jfs; 135-380, Jsp
9	2-28-52 3-13-52	728N 4515W	N12W	60°	217	0-94, Jfg; 94-173, Jf; 173-175, Tsc; 175-217, Jsp
10	3-15-52 3-27-52	2357N 4728W	S70E	86°	381	0-78, Tsc; 78-342, Jfs; 342-381, Jsp
11	3-29-52 4-9-52	746N 3546W	N75W	60°	396	0-243, Jfg; 243-347, Jfs; 347-396, Jsp
12	4-11-52 5-9-52	2125N 7141W	S60W	60°	803	0-393, Jfs; 393-463, Jfss; 463-713, Jfs Breccia; 713-803, Jfs
13	5-14-52 6-17-52	2893N 7849W	S48W	55°	478	0-52, Tsc; 52-295, Jfs; 295-478, Jsp

(Explanation of symbols at bottom of Table II)

TABLE II

Underground Diamond Drill Hole Data

Hole No.	Period Drilled	Location Coordinates	Bearing	Incli-nation	Length Feet	Formation Summary Log
1	10-2-52 10-10-52	1633N 5112 W	S64E	-75°	114	0-41, Tsc; 41-54, Jfs; 54-58, Jfg; 58-114, Jf (extremely silicified or cherty); 0-5, 8-9, traces of HgS
2	10-13-52 11-3-52	1639N 5130W	N76W	-45°	389	0-155, Tsc; 155-389, alternating Jfs and Tsc; 0-13, 31-32, 50, traces of HgS
3	11-4-52 11-5-52	1525N 5016W	S46E	-23°	24	0-8, Tsc; 8-24, Jf (silicified)
4	11-5-52 11-7-52	1525N 5016W	S46E	+ 9°	101	0-101, Tsc with traces of Jfs near bottom
5	11-8-52 11-17-52	1634N 5107W	S74E	+ 6°	272	0-223, Tsc; 223-272, Jsp & Sp-Sc; 0-23, 32, 48-53, 182, 186-188, 214-216, 220, traces of HgS
6	11-19-52 11-26-52	1735N 5106W	S70E	-25°	224	0-69, Tsc; 69-81, Jfs; 81-154, Jfss; 154-217, Jf (extremely silicified); 217-224, Jfg; 0-9, 48, traces of HgS
7	12-1-52 2-2-53	2487N 5046W	N28W	-60°	681	0-133, Jsp; 133-168, Jfs; 168-180, Jsp; 180-208, Jfs; 208-345, Jsp; 345-360, Jfss; 360-474, Jsp; 474-509, Jfs; 509-534, Jsp; 534-563, Jfs; 563-588, Jsp; 588-618, Jfs; 618-681, Tsc; no HgS
8	2-7-53 2-10-53	1262N 5335W	S78E	-25°	62	0-48, Tsc; 48-59, Jfs; 59-62, Jfc; 0-1, 92, traces of HgS
9	2-10-53 2-21-53	1262N 5335W	S78E	+9.5°	500	0-490, Tsc; 490-500, Jsp; 12, 306-316, 344, 352-355, 366, traces of HgS pea-sized mass of HgS at 323
10	2-23-53 3-2-53	1253N 5343W	S30E	0°	313	0-261, Tsc; 261-309, Jfss; 309-313, Tsc; 93-94, traces of HgS

Explanation of symbols: Tertiary rocks; Tsc-silica-carbonate rock. Sp-Sc-transitional serpentine-silica-carbonate rock (serpentine with high dolomite content).
Upper Jurassic rocks; Jsp-serpentine.
Upper Jurassic-franciscan rocks; Jf-alternating rocks of various types. Jfs-undifferentiated clastic sediments. Jfg-greenstone (altered mafic lavas, tuffs, and breccia). Jfmh-hornblende-bearing metamorphic rock (of tuffaceous greenstone origin). Jfss-sandstone (graywacke or arkose). Jfsh-shale or siltstone.

the project.

Figure No. 3 shows the progress of reopening work on the Day Tunnel level as submitted by the Cordero Mining Co. A total of 2,745 feet of rehabilitation work is reported by the company at a cost of $62,564.53 for the duration of the exploration project.

GEOLOGY

The New Almaden Mine area is composed of a heterogeneous mass of rocks of the Upper Jurassic (?) Franciscan group that have been intruded by sill-like bodies of serpentine. The margins of the serpentine sills have been hydrothermally altered to silica-carbonate rock which, in turn, was replaced locally by cinnabar to form ore bodies.

The Franciscan rocks, oldest in the area, include arkose, graywacke, shale, chert, and altered mafic lavas and tuffs called greenstone. Also included are small amounts of metamorphic rocks, such as amphibolite and glaucophane schist, which are the metamorphic equivalents of other Franciscan rocks. Along the intrusive serpentine contacts is found a highly sheared mixture of shale and other rocks, called "alta".

The intrusive serpentine is chiefly sill-like in form. The larger bodies consist of unsheared boulders up to several feet in diameter embedded in a matrix of sheared serpentine, while the smaller bodies are all sheared and shredded material. The unsheared

boulders have relic textures of olivine and pyroxene, although all of the ultra-mafic intrusives in this district are almost completely serpentinized.

Many of the sheared margins of the serpentine have been altered by hydrothermal solutions to a mixture of quartz and magnesian carbonates called silica-carbonate rock. The silica-carbonate rock retains textures inherited from the serpentine thus leaving little doubt as to its origin. Silica-carbonate rock has been replaced along steep northeast-trending fractures by cinnabar to form some of the important ore bodies. These fractures were later filled with quartz, dolomite, and minor amounts of cinnabar.

Structure

The structure in the New Almaden area is quite complex. The rocks are highly folded and faulted, but the important gross structures have been picked up by detailed mapping 1/. The rocks of the Franciscan group are arched into an east-west striking anticline whose axis passes close to the apex of Mine Hill. Two thick, sub-parallel serpentine sills have intruded the flanks of the structure and converge towards the axis of the arch. The New Almaden Mine, and others in the district, are on the crest of this anticline.

1 / Bailey, E. H., and Everhart, D. L., The geology and ore deposits of the New Almaden district, Santa Clara County, California: unpublished USGS manuscript.

The western end of the anticline has been cut by a right-lateral fault causing the Senator and Guadalupe mines to be offset from the other mines in the district.

Stresses applied after the alteration of serpentine to silica-carbonate rock caused many northeast-trending fractures that acted as channels for the ore-bearing solutions.

ORE DEPOSITS

The only mineral of economic importance was cinnabar occurring chiefly as a replacement of silica-carbonate rock along the steeply dipping fractures. The replacement extended only a few inches from the fractures but commonly produced very high-grade ore. Many of the large ore bodies were formed where swarms of fractures were so closely spaced that all of the intervening silica-carbonate rock was replaced with cinnabar. The fractures, filled with quartz, dolomite, and some cinnabar, commonly cut the ore bodies and were followed as a guide to ore.

Ore bodies are customarily localized near the intrusive contacts. Where the contact between silica-carbonate rock and alta is gently dipping, cinnabar was deposited in structural highs such as domes, but where the contact is steeply dipping, ore deposition took place where the northeast-trending fractures were abundant. Most of the ore bodies were along the upper intrusive contacts beneath the

capping of alta, but other ore bodies, not quite so rich, were found along the under side of the sill above the alta.

EXPLORATION

An exploration program based upon previous work at the New Almaden Mine by the U. S. Geological Survey was suggested in a published report by E. H. Bailey[2]. Four structurally favorable areas were suggested for exploration by diamond drilling--two that could be drilled from the surface and two that could be drilled from the 800-level Day Tunnel. These structures (see plate 1) are briefly described below:

<u>Structure A.</u> An arch in the upper margin of a serpentine sill with its apex under and east of the Camp area.

<u>Structure B.</u> Believed to be a structural nose in the upper margin of a sill plunging to the southeast and possibly connecting the once productive San Francisco and Cora Blanca workings.

<u>Structure C.</u> A postulated arch northwest of the Santa Rita shaft and 200 to 600 feet below the 800-level. Drilling here would explore the lower margin of the upper sill and the upper margin of the lower sill.)

<u>Structure D.</u> A broad arch in the lower margin of a serpentine sill that may have a domal structure just east of the mule barn cutout of the 800-level.

The exploration project as approved was to consist of four phases of work: 1, reopening of the Day Tunnel; 2, surface diamond

2/ Bailey, E. H., Suggestions for exploration at New Almaden quicksilver mine, California: Calif. Div. Mines Special Report 17, 1952.

drilling (A and B areas); 3, underground diamond drilling (C and D areas); 4, driving of underground workings to explore any showings of ore found in phases 2 or 3.

The drilling was carried on under the geologic guidance of the Geological Survey, and as work progressed frequent consultations between company and Survey representatives were held to evaluate the findings and to plan future holes. Cores from the first three holes were logged by R. F. Johnson of the Geological Survey and the remaining cores were logged by D. L. Curry, assistant resident geologist for the Cordero Mining Co. The logs were checked periodically by the Survey and found to be satisfactory.

Surface drilling on Mine Hill was begun August 10, 1951, and was completed on June 17, 1952 with 13 holes totaling 5,000 feet having been drilled (see plates 1 and 2). Holes 1 and 4 explored structure A and found the upper contact close to its inferred position, but there was no silica-carbonate rock between the alta and serpentine. Hole 2, about 200 feet to the east, did not cut the inferred contact even though drilling was continued for 120 feet beyond its inferred position. Either faulting or sudden steepening of the contact seems to have taken place between holes 1 and 2, thus forming the eastern limit of favorable ground. Hole 3 was a wildcat to test an area where cinnabar had been found on the surface. Scattered cinnabar was found in dolomite veins but no favorable contacts were cut.

Holes 5 to 9 and 11 probed structure B and found that a northwest trending ridge rather than a west trending nose exists in that area. Two feet of silica-carbonate rock was recovered from hole 9 on the upper margin of the sill--the only silica-carbonate rock found on the structure.

Hole 10 explored an area above the Day Tunnel and northeast of Mine Hill. It passed from alta directly into the serpentine sill cutting the expected silica-carbonate margin.

With some extra footage, it was decided to explore a serpentine sill in the America Mine area northwest of Mine Hill. Holes 12 and 13 were drilled for that purpose. Number 12 did not cut any favorable rock units or structures. The last hole penetrated the serpentine but did not reach the lower margin of the sill (see section A-A', plate 3). The America Mine area, therefore, was not completely explored. More holes would be necessary before the area could be eliminated from future consideration as unfavorable ground.

Reopening of the Day Tunnel was begun August 15, 1951 and, because more than anticipated was caved, required more time to restore than had been expected. The last plug, 1,590 feet from the portal, was removed on August 27, 1952. Reopening of the Santa Rita crosscut was begun September 11, 1952 and, including a 30-foot extension for a drill station, was completed November 26, 1952. Because of the heavy

ground, and the lack of a second outlet from the mine, considerable time was spent in maintaining the Day Tunnel after it was opened.

Underground drilling began October 2, 1952 and was terminated on March 2, 1953. During this period ten holes were drilled, totaling 2,680 feet, none of which outlined structure D (plate 4). The dome in area D, however, was not thoroughly tested because the most favorable ground--silica-carbonate rock within 15 feet of the intrusive contact over the apex of the dome--was penetrated only by a few feet of hole (see section C-C', plate 5). This resulted from the necessity to drill a major part of the allotted footage in order to delimit the structure. Lack of sufficient Government funds and waning interest on the part of the Cordero Mining Company was responsible for no further drilling in the critical area.

The remaining hole, number 7, was drilled from the Santa Rita station on structure C (see section A-A', plate 1). It was, after much difficulty, abandoned at a depth of 681 feet. The other hole proposed to further explore the area was never drilled because of the difficult ground, and the Cordero Company felt that it was unjustified on the basis of the economics of working a deposit at depth in that area. The postulated structure was not proved, but silica-carbonate rock was cut at the bottom indicating something similar, but probably more complex, than was expected.

Because of the failure to encounter any ore bodies during the drilling program, the fourth phase of the project was not attempted, and the Cordero Mining Company decided to abandon the New Almaden Mine.

The New Almaden exploration program has shown that areas A and B may be discounted in future exploratory ventures. The America Mine area, structure D, and possibly the area near structure C, however, still offer possibilities for future prospecting.

EXPENDITURES

Total approved:-

The original exploration project contract, dated July 18, 1951, approved a total expenditure of $200,828.00. This contract was later superseded with an amended contract, for the same amount, on Dec. 10, 1952.

Total cost of the project:-

The total cost of the project as reported by the Cordero Mining Company was $111,503.40. However, a recapitulation of monthly costs, taken from the operator's monthly reports, indicate that the total cost of the project was $111,507.74. This summary of the operator's monthly reports is given in Table III.

The total contract cost of diamond drilling work performed in connection with this exploration project was $47,576.16. A recapitulation of costs for the 23 holes drilled by Boyles Bros. Drilling Co. of

TABLE III

Recapitulation of operator's monthly cost reports

Period	Work	Units 1/ (feet)	Contract 2/ Drilling	Labor & 3/ Supervision	Consult. 4/ Geologists	Supplies 5/	Other 6/	Monthly	Totals
Aug. & Sept. 1951	Day Tunnel	100		714.75		1,902.29	95.64	2,712.68	
	Drilling	268			155.52		19.05	174.57	
	Rehab.			714.75		54.04	87.20	855.99	3,743.24
Oct. 1951	Day Tunnel	200		1,289.50		3,275.45	170.53	4,735.48	
	Drilling	698	1,618.40		181.15			1,799.55	
	Rehab.			100.00		162.72		262.72	6,797.75
Nov. 1951	Day Tunnel	210		1,904.75		1,698.29	246.76	3,849.80	
	Drilling	264	6,053.71					6,053.71	
	Rehab.			141.00		321.16		462.16	10,365.67
Dec. 1951	Day Tunnel	155		2,170.25		1,511.06	235.91	3,917.22	
	Drilling	532	2,283.50		436.82			2,720.32	6,637.54
Jan. 1952	Day Tunnel	255		2,060.00		1,641.23	325.09	4,026.32	
	Drilling	542	3,311.20		325.00			3,636.20	7,662.52
Feb. 1952	Day Tunnel	230		1,919.00		303.56	277.71	2,500.27	
	Drilling	380	4,011.85		325.00			4,336.85	6,837.12
Mar. 1952	Day Tunnel	65		1,910.00		427.99	276.64	2,614.63	
	Drilling	598	3,634.40		325.00			3,959.40	6,574.03
April 1952	Day Tunnel	85		1,958.00		3,740.51	282.40	5,980.91	
	Drilling	396	2,350.30		325.00	439.42		3,114.72	9,095.63
May 1952	Day Tunnel	70		2,337.00		293.50	288.55	2,919.05	
	Drilling	803	5,184.40					5,184.40	8,103.45
June 1952	Day Tunnel	40		2,374.20		194.60	260.87	2,829.67	
	Drilling	600	2,772.40					2,772.40	5,602.07
July 1952	Day Tunnel	65		2,034.24		1,277.95	246.65	3,558.84	
	Drilling								3,558.84
Aug. 1952	Day Tunnel	25		2,173.60		322.94	180.83	2,677.37	
	Drilling				168.27			168.27	2,845.64
Sept. 1952	Day Tunnel	1,200		2,184.75		930.89	521.62	3,637.26	
	Drilling				96.15			96.15	3,733.41
Oct. 1952	Day Tunnel	45		2,551.40		865.62	490.64	3,907.66	
	Drilling	503	2,932.80		416.01			3,348.81	7,256.47
Nov. 1952	Day Tunnel			2,395.80		484.66	260.41	3,140.87	
	Drilling				325.00			325.00	3,465.87
Dec. 1952	Day Tunnel			1,395.00		108.66	199.99	1,703.65	
	Drilling	909	5,945.90		325.00			6,270.90	7,974.55
Jan. 1953	Day Tunnel			1,372.80		229.15	203.26	1,805.21	
	Drilling	393	2,834.80		325.00			3,159.80	4,965.01
Feb. 1953	Day Tunnel			1,345.60		238.67	222.28	1,806.55	
	Drilling	875	4,642.50		325.00			4,967.50	6,774.05
Mar. 1953	Day Tunnel			857.30		-1,661.08 7/	118.66	-685.12	
	Drilling				200.00			200.00	- 485.12
		7,761	47,576.16	35,903.69	4,253.92	18,763.25	5,010.69		111,507.74 8/
8/51-3/53 Day Tunnel		2,745		(34,947.94)		17,785.94	4,904.44	57,638.32	
8/51-3/53 Drilling		7,761	47,576.16	( )	4,253.92	439.42	19.05	52,288.55	
8/51-11/51 Rehab.				955.75		537.92	87.20	1,580.87	
8/15/51-3/15/53 Totals				35,903.69	4,253.92	18,763.28	5,010.69	111,507.74 8/	

1/ Units in feet of Day Tunnel re-opened monthly. Drilling units are feet invoiced monthly.
2/ Invoice cost of contract drilling.
3/ Includes total cost of labor - charged against Day Tunnel rehabilitation.
4/ Charges for consulting geologists included in Operator's monthly report.
5/ Includes timber, pipe, track, power, and other; no separate costs given for equipment.
6/ Includes payroll taxes, liability insurance, workmans compensation, hospital insurance, and transportation.
7/ Underlined amounts are credits resulting from sale of equipment and supplies after termination of project.
8/ Grand total $4.34 greater than shown on Operator's reports - due to an error in bringing forward previous totals on monthly report for March 1952.

Salt Lake City, Utah is given in Table IV.

A summary of costs for the entire project as reported monthly by the Cordero Mining Company is given in Table V.

Government's share of exploration costs:-

The Government's participation at 75 percent of the total authorized amount of the contract amounted to $150,621.00. The Government's share of the cost of this exploration project as reported by the Cordero Mining Company would be $83,630.80 - computed as follows:

75% of $111,507.74 = $83,630.80

As some of the expenses which were submitted by the operator in connection with this project were questionable, or were not substantiated as pertaining to the exploration contract, the actual or approved share of the exploration cost, borne by the Government is not known at this time. A final, or sight audit of the project records is recommended before final payment of the Government's participating share of the project expenses is made.

The unexpended portion of the approved Government's share of expenditures in connection with this project is $66,990.20; however, this amount would be increased by the operator's expenditures which are disallowed upon final audit of the project costs.

Only Stage I of the exploration project was completed.

No production was made from the New Almaden Mine property during exploration operations; and no production has been made after

TABLE IV

Surface Drilling:

Cost of Diamond Drilling

Hole No.	Total Footage	Cost Drilling	Cost Extras	Total Cost	Cost Per Foot
1	393	$ 2,279.40	$ 265.00	$ 2,544.40	$6.47
2	575	3,335.00	188.52	3,523.52	6.13
3	334	1,937.20	140.89	2,078.09	6.22
4	312	1,809.60		1,809.60	5.80
5	312	1,809.60	201.00	2,010.60	6.44
6	217	1,258.60	42.00	1,300.60	5.99
7	283	1,641.40	132.45	1,773.85	6.27
8	380	2,204.00	34.00	2,238.00	5.89
9	217	1,258.60	166.00	1,424.60	6.56
10	381	2,209.80		2,209.80	5.80
11	396	2,296.80	53.50	2,350.30	5.94
12	803	4,966.40	218.00	5,184.40	6.46
13	478	2,772.40		2,772.40	5.80
Sub-total: 13	5,081	$29,778.80	$1,441.36	$31,220.16	$6.14

Underground Drilling:

1	114	$ 581.40	$ 45.00	$ 626.40	$5.49
2	389	1,983.90	322.50	2,306.40	5.93
3	24	122.40	16.23	138.63	5.78
4	101	515.10	68.31	583.41	5.78
5	272	1,387.20	183.96	1,571.16	5.78
6	224	1,142.40	151.50	1,293.90	5.78
7	681	3,473.10	1,720.50	5,193.60	7.63
8	62	316.20	13.40	329.60	5.32
9	500	2,550.00	108.04	2,658.04	5.32
10	313	1,596.30	58.56	1,654.86	5.29
Sub-total: 10	2,680	$13,668.00	$2,688.00	$16,356.00	$6.10
Total Drilling Costs: 23	7,761	$43,446.80	$4,129.36	$47,576.16	$6.13

TABLE V

Summary of total project costs

Type of Work	Units (Feet)	Labor & Supervision	Consulting Geologists	Supplies	Other	Total
Rehabilitation of camp		$ 955.75		$ 537.92	$ 87.20	$ 1,580.87
Diamond drilling	7,761	47,576.16 1/	$4,253.92	439.42	19.05	52,288.55
Rehabilitation Day Tunnel	2,745	34,947.94		17,785.94	4,904.44	57,638.32
					Total cost of project	$111,507.74

1/ Contract cost of diamond drilling by Boyles Bros. Drilling Co.

the completion of the project. No royalty is due to the Government from production as a result of its participation in the exploration work.

EFFICIENCY OF OPERATIONS

Unit costs for performing the diamond drilling exploration work were high. A cost of $111,507.74 ($14.37 per foot) was expended in drilling the total 7,761 feet accomplished during the program. Supervision, labor, consulting geologists, supplies and other expenses involved in conducting the drilling project amounted to $8.24 per foot.

In accomplishing the 2,680 feet of underground drilling, a total cost of $57,638.32 was required to reopen the Day Tunnel in addition to a contract drilling cost of $16,356.00. The applicable cost for underground diamond drilling work accomplished was $27.61 per foot.

A cost of $57,638.32 (or $21.00 per foot) was reported by the Cordero Mining Company to reopen 2,745 feet of the Day Tunnel. Only portions of the initial 1,590 feet of tunnel required reopening through caved intervals; and the balance of the rehabilitation operation apparently required only clean-up and installation of air, water and rail facilities. In addition, 30 feet of new crosscut was driven in the vicinity of the Santa Rita shaft. The quantity and difficulty involved in performing this work is stressed by the company; however, the overall performance and costs of the work indicate that it was not efficient.

The cost for reopening the Day Tunnel in addition to excessive costs for supervision, expense accounts, etc. are reflected in the high costs for performing the diamond drilling exploration project.

The cost of completing this exploration project is considered excessive.

EQUIPMENT PURCHASED FOR THE PROJECT

Descriptions and salvage value of equipment purchased in connection with this project are as follows:

1 3-horsepower, mall chain saw, Model 12-A-18", Ser. No. C-40464, good condition, purchase price: $329.60; salvage value: $150.00

12 tons of rail, fair condition, purchase price: $2,549.84; salvage value: $864.00

4000 feet (approx.) of pipe, good condition, purchase price: $1,403.96; salvage value: $700.00

1 Exide compressor battery, No. 6 x Q - 29, condition unknown, purchase price unknown, salvage value: $15.00

4 650 x 20 tires and tubes, good condition, purchase price unknown, salvage value: $40.00

1 3/4-horsepower, electric motor, condition unknown, purchase price unknown, salvage value: $15.00

The above equipment was purchased by the Cordero Mining Company at the termination of the project, for a total salvage price of $1,784.00. Proper credit for this amount was given on the operator's final MF-104, cost report for March 1953.

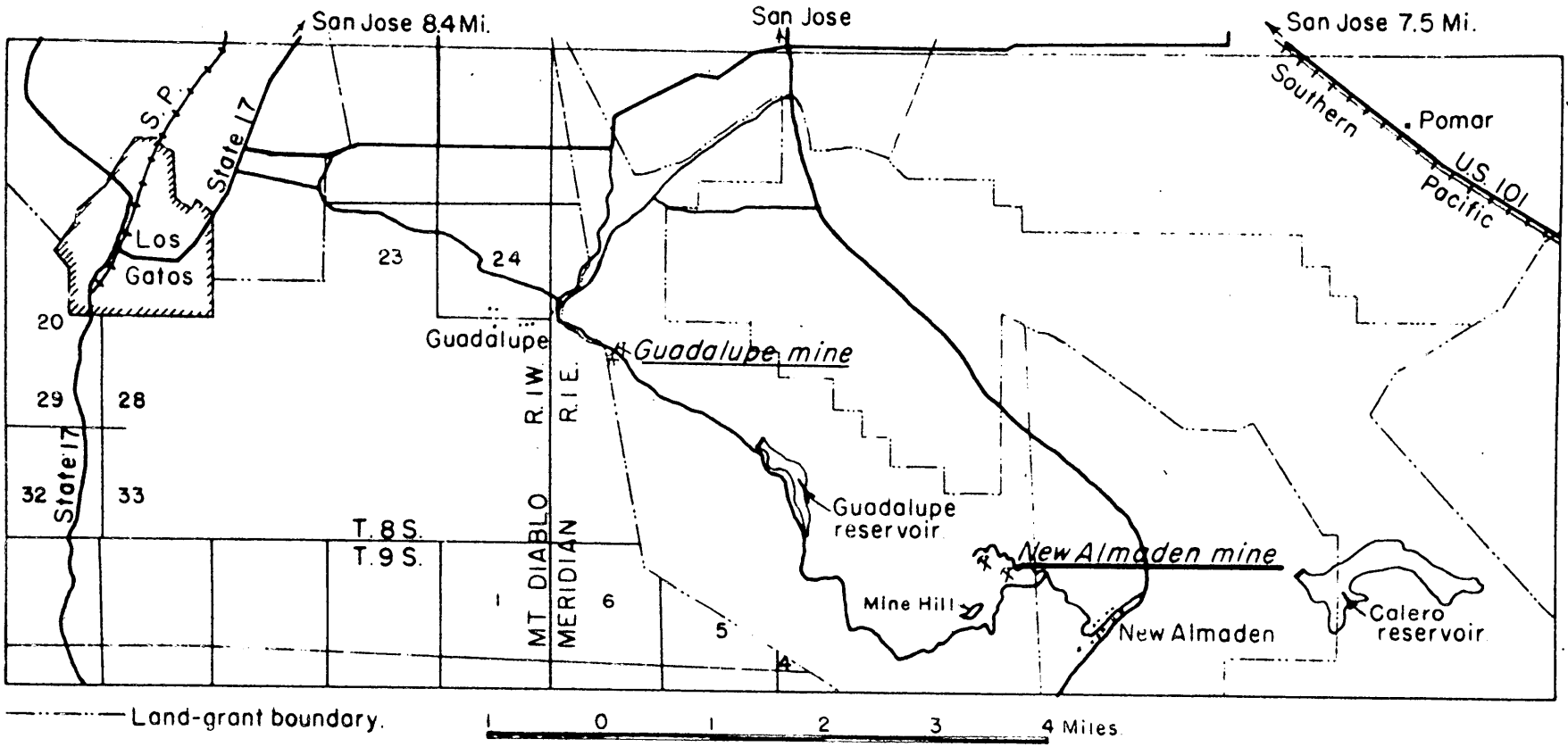
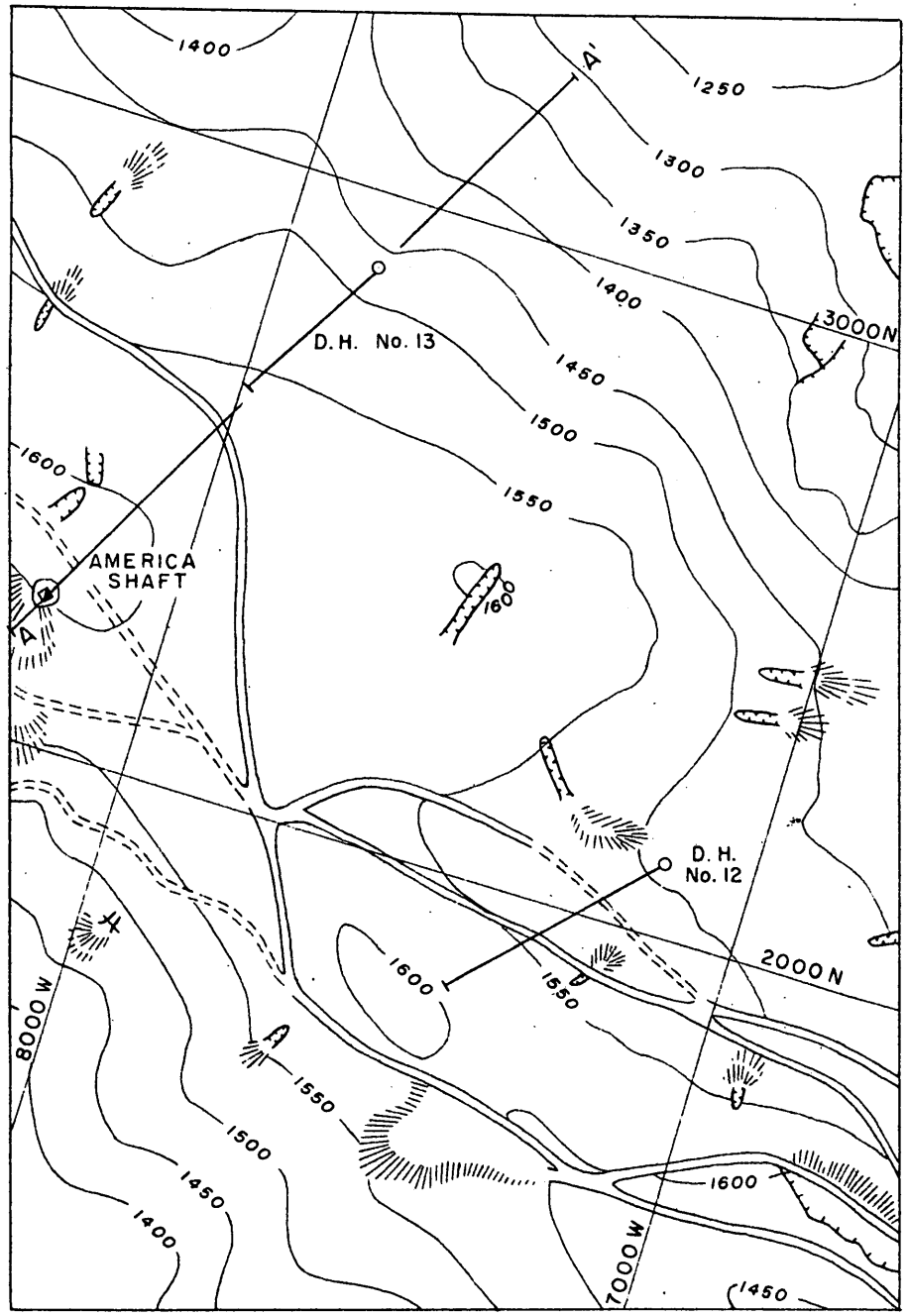
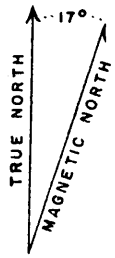


Figure 1 - Location Map, New Almaden Mine, Santa Clara County, California

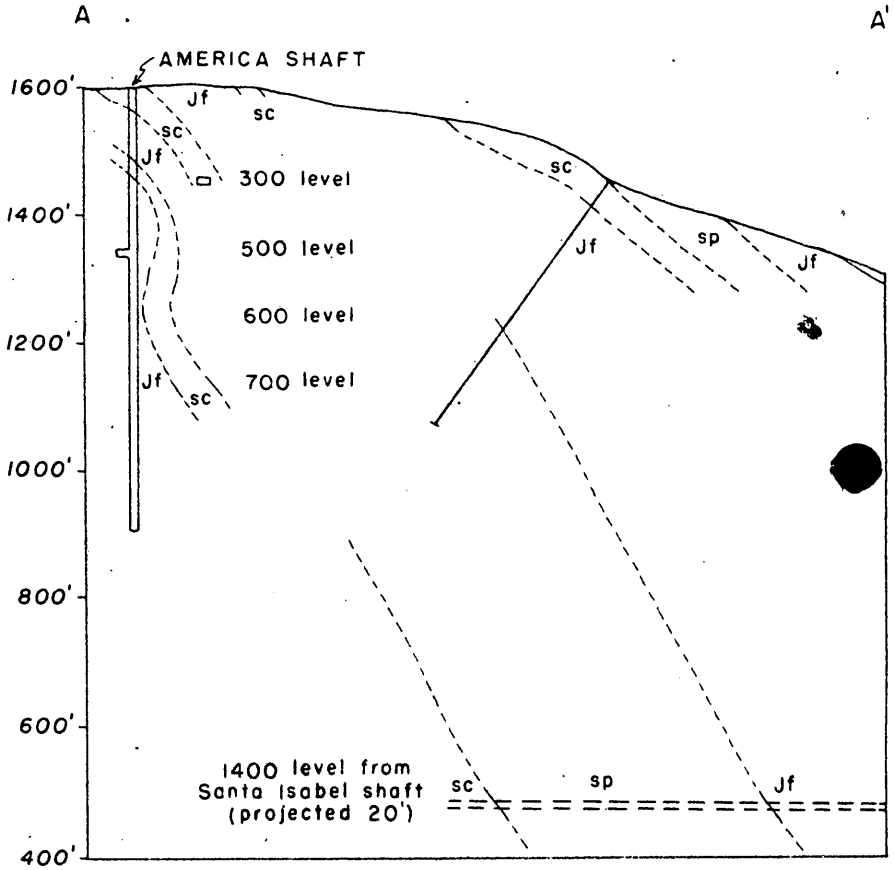




EXPLANATION

sc	Silica-carbonate rock	TERTIARY
sp	Serpentine	JURASSIC (?)
Jf	Franciscan group rocks	JURASSIC (?)

0 300 600 FEET

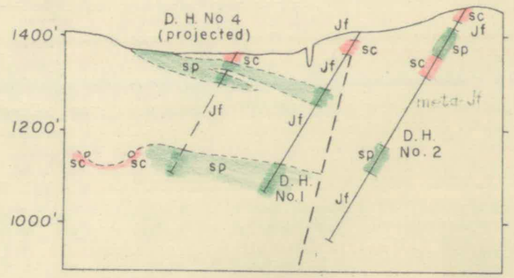


MAP AND CROSS-SECTION OF THE AMERICA MINE AREA SHOWING LOCATION OF SURFACE DIAMOND DRILL HOLES 12 AND 13

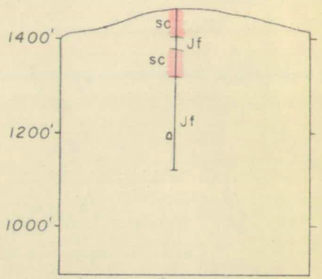
PLATE 3

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

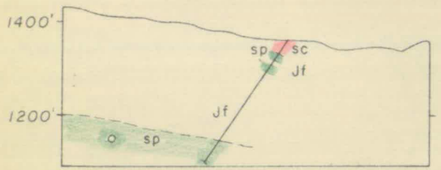
DMEA 1165
Idm-E 64
(MERCURY)



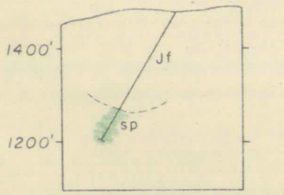
E-W SECTION THROUGH HOLES NO. 1 & 2



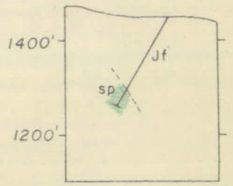
E-W SECTION THROUGH
HOLE NO. 3



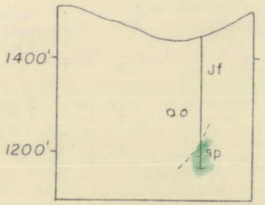
N53° W SECTION THROUGH HOLE NO. 4



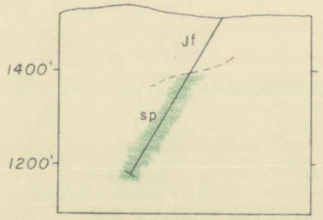
N 13° W SECTION THROUGH
HOLE NO. 5



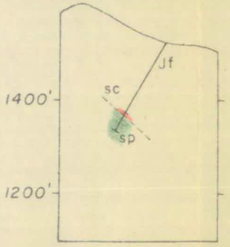
N 24° W SECTION THROUGH
HOLE NO. 6



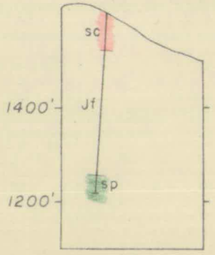
N 52° W SECTION THROUGH
HOLE NO. 7



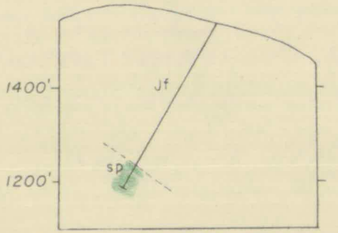
N 11° W SECTION THROUGH
HOLE NO. 8



N 12° W SECTION
THROUGH HOLE NO. 9



E-W SECTION
THROUGH HOLE NO. 10



N 75° W SECTION THROUGH
HOLE NO. 11

EXPLANATION

sc — Silica-carbonate rock

sp — Serpentine

Jf — Franciscan group rocks

Contact (Dashed where approximately located)

Contact (Dashed where inferred)

Mine workings cut by sections

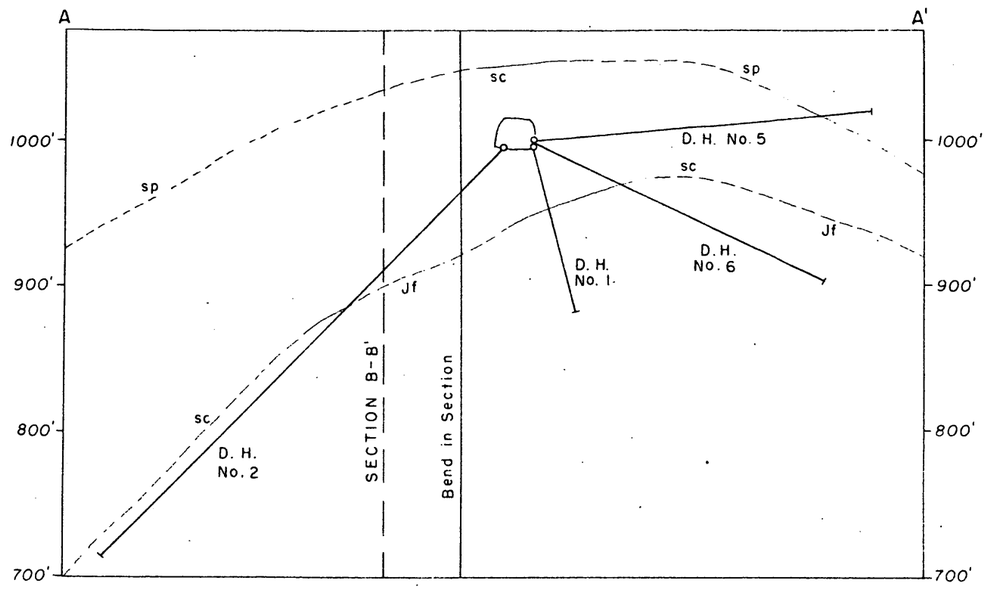
CROSS-SECTIONS THROUGH SURFACE DIAMOND DRILL HOLES I-II

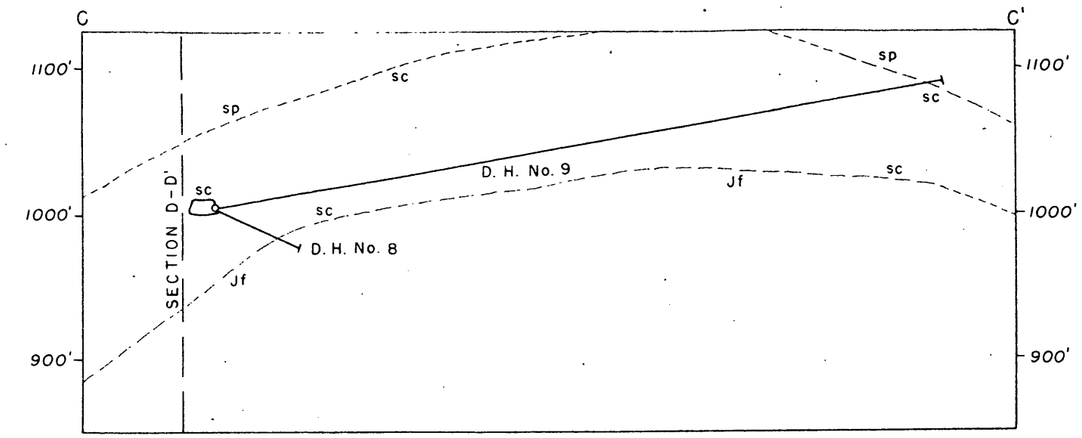
300 0 300 600 900 FEET

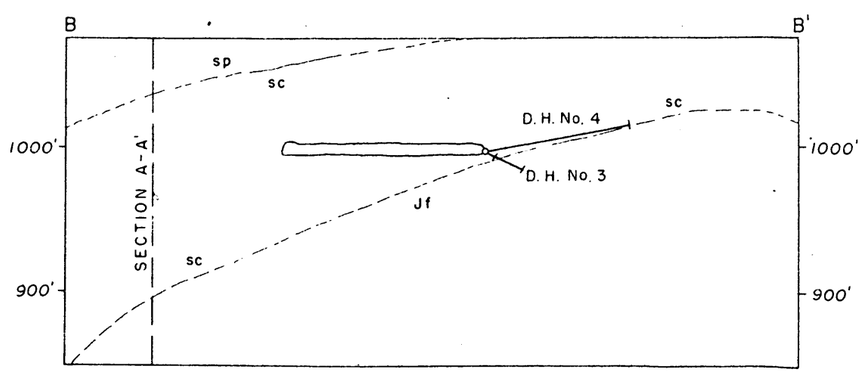
PLATE 2

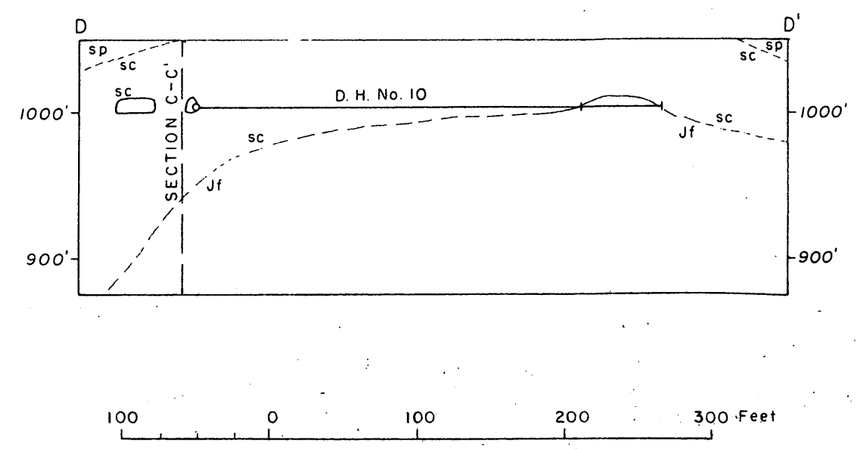
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 1165
Idm - E 64
(MERCURY)









EXPLANATION

TERTIARY

sc — Silica-carbonate rock

JURASSIC (?)

sp — Serpentine

Jf — Franciscan group rocks

Contact (Dashed where approximately located)

Inferred contact

CROSS-SECTIONS THROUGH UNDERGROUND DIAMOND DRILL HOLES 1-6, 8-10

PLATE 5

[illegible]

[illegible] - [illegible]

Hole No. 1

Logged by [illegible] and
[illegible]
U.S.Geological Survey
Hole started 9/31

Depth in feet	Core recovery	Description
268-278	2½ feet	Fragments of greenstone, shale and graywacke containing disseminated pyrite. Largely greenstone talf in last half of core. Strongly silicified at 275.
278-285	5 feet	Shale and graywacke for 6 inches then sheared shale with fragments of serpentine and greenstone, alta type material.
285-290	1½ feet	Fragments of shale, graywacke, greenstone, diabasic material and silica-carbonate rock.
290-293	6 inches	Serpentine, graywacke, and shale fragments.
293-305	6 feet	Alta. Sheared shale and serpentine with fragments of serpentine, diabase, and graywacke. Fragments of quartz veins and silica-carbonate rock.
305-309	2 feet	Alta. Graywacke and shale.
309-315	2½ feet	Alta. Graywacke and shale decomposed largely shale near 315. Hydrocarbon 1½ feet from 315. Shale is indurated at 315.
315-325	2 feet	Alta and serpentine. Contact not definitely located. 1 cinnabar grain noted in serpentine fragment. Pyrite crusts line fractures in serpentine.
325-335	2 feet	Massive serpentine. Shale fragments near 325; [illegible] so caved material as 20 feet of hole had to be redrilled. Pyrite crusts and opal in fractures in serpentine. Driller reported very soft material in last 2 feet of hole probably no core
335-343		Core barrel filled with caved material and core from around 310-315 where hole was deflected slightly. Serpentine in last part of core at 343.
343-353		Massive serpentine.
353-363		Not drilled.

[illegible]

[illegible] - [illegible]
Hole No. 2

Coordinates (approx) 270[illegible] ; 3215[illegible].
Direction - vest down 60 degrees
Elevation of collar - 1[illegible] feet
Core recovery

Logged by [illegible] Bailey [illegible]
U.S. Geological Survey
Hole started 10/15/51
Hole completed

Depth in feet	Core recovered	Description
0-50	Fragments	Possibly silica-carbonate rock. [illegible] veins with pieces of rhyolite
50-53	1 foot	Sheared serpentine
53-60	None	
60-70	2 feet	Sheared serpentine. Weakly carbonated at [illegible]
70-73	1 foot	Sheared serpentine
73-80	None	
80-93	1 foot	Sheared serpentine. Veinlets [illegible]
93-98	2 feet	Small pieces of serpentine. Veinlets [illegible]
98-118	None	
118-123	5 feet	Fragments are mud. First foot is brecciated serpentine silica-carbonate rock. Rest is recalcified tuff.
123-143	None	Core mud. Seems to be preceded with chlorite veins.
143-153	7 feet	Rock. Altered rhyolite. Veins of chlorite and silica in last foot.
153-158	1 foot	Pieces of veins with probable altered [illegible]
158-163	None	
163-168	1½ feet	Pieces of calcite veins in altered [illegible] or greenstone
168-173	2 feet	Gilmey i. core are mostly fragments [illegible] that resemble greenstone
173-178	3 feet	Greenstone with sheared friable [illegible] quartz veinlets in greenstone. [illegible] at 177
178-183	1 foot	Pieces of greenstone with some amphibolite
183-188	4 feet	Largely greenstone with dolomite and quartz veins some amphibolite near 188
188-208	19 foot	Altered greenstone 188-200. Shear at [illegible]. Amphibolite 200-208. Amphibolite [illegible] and quartz-lizardite veinlets with [illegible] amphibole. A little serpentine at [illegible]. [illegible] dolomite-lizardite veinlets with [illegible] Well-[illegible] nearly perpendicular [illegible] amphibole 217-218.
208-213	5½ feet	
213-223	7½ feet	Amphibolite with qtz veins. [illegible]
223-228	5 feet	Amphibolite with quartz-dolomite-[illegible] veins. 1 foot serpentinized [illegible]
228-233	None	
233-243	1 foot	Fragment of altered amphibolite [illegible]
243-253	5 feet	243-249 highly altered [illegible] standard [illegible] some [illegible]
253-263	5 feet	Sheared [illegible]
263-273	None	Sheared [illegible]

Hole 24 (cont.)

Depth in feet	Core recovered	Descriptions
271-283	None	
283-290	Pebbles	Amphibolite
290-306	None	
306-312	5 feet	Massive amphibolite becoming sheared at 315
312-322	10 feet	Massive amphibolite. Abundant pyrite 322-324
322-332	4 feet	Amphibolite to about 325 then silica carbonate rock. Other and dolomite veins in silica carbonate rock
332-344	None	Dolomite vein fragments
344-355	None	
355-362	7½ feet	Shale and rock. Dolomitic vein fragments or siliceous material probably silica carbonate rock. A few inches of shale at 362
362-393	None	
393-403	2½ feet	A three inch fragment of poorly developed silica-carbonate rock with a few grains of diamond, then shale and graywacke
403-407	2 feet	Fragments of serpentine partly altered to silica-carbonate rock. Rock altered at 407. Sparsely scattered diamond in veinlets and in silica-carbonate rock at 404.
407-419	3 inches	Poorly developed silica-carbonate rock. Some shale
419-429	4 feet	Serpentine with siliceous veins. Good pyrochenos in serpentine
429-445	1 foot	Fragments of serpentine with some shale
445-455	5 feet	Shale and graywacke to 456, then serpentine
455-459	2 feet	Serpentine with shale and graywacke in last 4 inches of core
459-465	5½ feet	Shale and graywacke. Dolomitic veins and fragments of silica-carbonate rock between 457 and 463
465-470	4 feet	Shale with minor graywacke and a few silica-carbonate fragments
470-513	3 feet	Shale for 5" then medium and fine-grained graywacke. Small discontinuous dolomitic veinlets
513-523	2 feet	Graywacke and shale
523-533	3 feet	Shale and graywacke. Rock is mashed and crumpled. Some siliceous green inclusions. 2" of green chert at 532
533-553	2 feet	Graywacke and shale
553-560	2 feet	Graywacke and shale for 10" then 5" chert (?) and 3" amphibolite
560-570	1 foot	Graywacke and highly sheared shale with abundant green fragments. Used 2 feet of more crushable
570-573	2 feet	1 foot graywacke fragments. 1 foot shale and graywacke

New Alaska Mine
DDH 1105 Idx E 64
Hole No. 3

Logged by R. F. Johnson, U. S. Geological Survey

Coordinates (approx.) 2590 S; 3515 W.
Direction - Vertical
Elevation of collar - 1469 feet
Core Recovery -
Hole Started - November 5, 1951
Hole Completed - December 6, 1951

Depth in Feet	Core Recovered	Description
0-18	No core	
18-25	2½ feet	Possibly silica-carbonate rock. Quartz veins with numerous spherical cavities.
25-28	1 foot	Fragments of quartz veins and possible silica-carbonate rock.
28-30	1 foot	Fragments of quartz and chalcedony. Some carbonate vein material.
30-34	1½ feet	Possible silica-carbonate rock with chalcedony veinlets.
34-44	No core	
44-46	1 foot	Fragments of possible silica-carbonate rock.
46-50	1½ feet	Fragments of dolomite veins.
50-55	No core	
55-64	1 foot	Probable altered greenstone.
64-69	No core	
69-74	1 foot	Pebbles, one fragment of graywacke.
74-79	No core	
79-84	2 feet	Altered greenstone with vuggy quartz and dolomite veins.
84-89	2½ feet	Altered greenstone with vuggy quartz and dolomite veins. Hydrocarbon in some vugs.
89-94	2 feet	Altered greenstone (?) and slightly altered serpentine.
94-99	1½ feet	Fragments of veins and altered greenstone.
99-101	2 feet	Pebbles of altered greenstone.
101-109	No core	
109-114	2 feet	Altered greenstone with quartz-dolomite veins.
114-119	3 feet	Altered greenstone. Possible old workings, drill lost water.
119-124	4½ feet	Altered greenstone with carbonate veins.
124-129	1 foot	Altered greenstone.
129-139	5½ feet	Altered greenstone and vein fragments. Few specks of cinnabar at 133. Round cavities and hydrocarbon at 139.

Depth Interval	Core Recovered	Description
139-14[illegible]	3 inches	Vein fragments, some altered and bleached greenstone.
14[illegible]-15[illegible]	3[illegible] feet	Greenstone or greenstone tuff. Scattered violet colored fragments.
15[illegible]-16[illegible]	5[illegible] feet	Greenstone or tuff. Sheared at 162.
16[illegible]-17[illegible]	3 feet	Greenstone. Shale fragments near 17[illegible].
17[illegible]-18[illegible]	[illegible] feet	Greenstone.
18[illegible]-194	3[illegible] feet	Fragments of bleached greenstone, some shale and chert.
194-20[illegible]	[illegible] feet	Bleached greenstone and shale. Alteration decreases near [illegible].
[illegible]	5 feet	Slightly bleached greenstone veined with quartz and carbonate veinlets. Shale in last 1[illegible] feet of core.
[illegible]	[illegible] feet	Greenstone cut by contorted veinlets.
[illegible]	1[illegible] feet	Pebbles of greenstone, shale and chert.
[illegible]	[illegible] feet	Chert pebbles, mud, [illegible]
[illegible]	[illegible] feet	Shale and chert fragments. Large shot [illegible].
[illegible]	[illegible] feet	Pebbles and fragments of vein material, shale, and bleached greenstone.
[illegible]	1/[illegible]	Small pieces. Alta-veins-bleached [illegible] if all could have fallen from above.
[illegible]	[illegible] feet	Large pieces. One foot of alta-[illegible], hard, finely laminated tuff. [illegible] pyrite. White carbonate veins. Laminated at right angles to [illegible].
[illegible]	[illegible] feet	One inch pieces. Same as above. Scant [illegible].
[illegible]	[illegible]	[illegible] inch pieces. Green tuff.
[illegible]	[illegible] feet	[illegible] pieces. Green tuff. Scant pyrite.
[illegible]	[illegible]	Green tuff. Irregular lamination at [illegible]° to hole.
[illegible]	[illegible] feet	Green tuff. Broken at end of hole.
30[illegible]-31[illegible]	[illegible] feet	One inch pieces mostly. Green tuff.
31[illegible]-32[illegible]	6 feet	One and one-half inch pieces. Green tuff.
3[illegible]4-32[illegible]	[illegible] feet	One inch pieces. Green tuff.

NEW ALMADEN MINE
DMM 1165X - Icm E-64

Hole No. 4

Logged by D. L. Curry

Coordinates (approx) 3970 W 2550 N
Direction N 53 W Down 56°
Elevation
Hole Completed - December 21, 1951

Depth in Feet	Core Recovery	Description
0-17	0.5'	SiO2-CO3 vein matter (prob. detrital)
17-19	0.5'	" " " " "
19-32	1.5'	" " " Dunite-derived serpentine high in chromite, last 0.5' of core
32-38	1.5'	Dunitic serpentine high in chromite. SiO2 vein matter is evident.
38-48	0.5'	" " " " "
48-52	0.5'	" " " Bottom half of core is tuffaceous greenstone with S-C veinlets & disseminated pyrite.
52-59	3'	Same as bottom of above core.
59-69	2'	" " " " " " at very top. Transitional serp.-S-C rock grading into highly sheared serpentine
69-70	1"	One piece of transitional serp-S-C rock high in hematite with a trace of cinnabar
70-79	1'	Same as above at top, changing to highly sheared serpentine. Some pieces of S-C vein matter near top. 1" Alta at bottom
79-87	4'	3" Alta at top. Rest massive greenstone with silica-carbonate veinlets and disseminated pyrite.
87-90	3'	Massive grst. S-C veinlets & dissem. pyrite
90-100	7.5'	" " " " " " "
100-110	1.5'	" " " " " " " Last 3" is Alta.
110-120		Alta, some S-C veinlets.
120-130	2'	Two-thirds ss & graywacke, rest mixed sh. & grst.
130-140	No core	"
140-150	5"	Alta
150-160	8'	Highly sheared serpentine. Last 1.5' is grst. with greenish veinlets, some hematite.
160-170	7'	2' grst. with green CO3 veinlets. Next 4.5' is sheared serpentine. Last 6" is Alta.
170-180	1'	Serpentine to Alta. Some silicified grst.
180-190	1'	Greenstone, prob. silicified or carbonatized
190-200	1.5'	Mixture of grst. & sh. Green CO3 veinlets in the grst. Trace of ss.
200-210	4.5'	Mixture of grst. & sh. Ss at bottom.

Hole No. 4

210-220	0.5'	Alta with white CO3 veinlets.
220-230	0.5'	" " " " " Ss at bottom.
230-240	2'	Mixed grst. & sh. at top. Ss at bottom. veinlets throughout.
240-248	5'	Greenstone at top. Alta (grst.,sh.,grayw.
248-256	1.5'	Alta. Last half of core is Alta (serp & s Is carbonatized (or silicified).
256-263	1.5'	Alta (serp & sh), carbonatized or silicifi
263-275	4.5'	Serpentine with some disseminated pyrite.
275-284	2.5'	" " " " "
284-292	1'	" " " " "
292-303	4.5'	" " " " "
303-312	4'	" " " " "
	Bottom of core	

NEW ALMADEN MINE
DMA 1165X - Idm E-64

Hole No. 5

Logged by D. L. Carry

Coordinates (approx) 4240 W 800 N
Direction N 13 W Down 60°
Elevation
Hole Started - December 22, 1951
Hole Stopped - January 4, 1952

Depth in Feet	Core Recovery	Description
0-22	1'	Partially weathered ss.
22-29	2.5'	" " "
29-34	2'	Carbonatized
34-36	1'	Carbonatized ss. Soft zone encountered in drilling. Sludge from this zone gave cinnabar trace of probable low value.
36-39	2'	Carbonatized ss. Carbonate veinlets.
39-44	1'	" " " "
44-49	2'	Same as above with disseminated pyrite.
49-54	0.5'	" " "
54-57	0.5'	" " "
57-62	1.5'	" " "
62-67	1.5'	" " "
67-72	1'	" " "
72-77	2.5'	Sh first 1.5', then carb. ss. Carbonate veinlets and diss. pyrite throughout.
77-82	2.5'	Carb. ss. CO_3 veinlets & dissem. pyrite.
82-87	1.5'	Same as above.
87-91	2'	" " "
91-102	2'	" " "
102-107	1.5'	" " " first 3", then carbonatized Alta (sh, some ss) with CO_3 veinlets and dissem. pyrite.
107-117	6.5'	Alta, same as described above. Better coring in top half.
117-122	2.5'	Alta, as above.
122-127	2.5'	Alta, " " (half & half ss & sh)
127-134	1'	" " " " " Some SiO_2 veinlets.
134-139	5.5'	Same as above (more ss than sh)
139-144	5'	" " " " " " " No SiO_2 veinlets. Less deformed at bottom of core.
144-150	5'	S-C veinlets & dissem. veinlets. Deformation at minimum here.
150-155	2.5'	Same as above with lamination of ss & sh. More deformed.
155-160	3.5'	Same as above without lamination.
160-168	7.5'	Same as above, grading into Alta (sh,ss, highly deformed) at bottom.
168-171	3'	Alta (sh,ss, some grst). Very few veinlets. One piece grst. at bottom of core.

ec.31,1951)

171-176	2.5'	Highly deformed grst. first 8", then Alta, then ss last 1'. Silicified or carbonatized. Some S-C veinlets & dissem. pyrite.
176-181	3'	Fine ss & sh, carbonatized or silicified. S-C veinlets & pyrite. Less deformed.
181-186	5'	Same as above.
186-197	8'	Alta (sh & ss first, then sh & grst.) Pieces of grst. & brown chert at bottom. Some S-C veinlets and dissem. pyrite.
197-202	2.5'	Alta (sh & some grst). A highly deformed mass near bottom contains some serpentine and many S-C veinlets and marcasite(?) needles. S-C veinlets & pyrite in alta.
202-205	3'	Alta (sh, ss, grst, some green to brown chert) S-C veinlets & dissem. pyrite.
205-215	4.5'	Fine ss, some sh. S-C veinlets & pyrite. Less deformed. Carbonatized or silicified.
215-225	10'	Alta (sh, some ss & grst). Carbon. or silic. Some S-C veinlets & pyrite.
225-235	4.5'	Same as above.
235-245	3'	Alta (sh, ss, grst, serp) Carbon. or silic. S-C veinlets & pyrite. Last half of core is sheared serpentine.
245-255	1.5'	Sheared serpentine with marcasite(?) needles
255-262	2.5'	" "
262-272	5'	" "
272-282	8'	" "
282-292	7.5'	" " Top 3' is impure, appearing grayish in color.
292-302	9'	Sheared serpentine.
302-312	10'	" "

Bottom of core.

Hole No. 6

Logged by D. L. Carry

Coordinates (approx).	4240 W	980 N
Direction	N 24 W	Down 60°
Hole Started	January 5, 1952	
Hole Stopped	January 11, 1952	

Depth in Feet	Core Recovery	Description
0-12	1'	Detritus (roadbed), no core. Core is carbonatized ss with S-C veinlets & pyrite.
12-17	1.5'	Carbonatized ss with S-C veinlets & pyrite.
17-18	0.2'	Shale
18-27	2'	Carbonatized ss with S-C veinlets (mostly CO_3) & pyrite.
27-32	0.5'	Same as above.
32-37	1.5'	Alternating ss (as above) & sh.
37-42	1.5'	Same as above (very little sh)
42-47	0.5'	Carbonatized or silicified ss with pyrite.
47-52	2.5'	Carbonatized or silicified ss with S-C veinlets and pyrite.
52-57	1.5'	Same as above.
57-62	2.5'	Same as above.
62-67	1.5'	Same as above with fewer veinlets.
67-74	2'	Carb. or silic. ss with S-C veinlets & pyrite. A few lenses of sh.
74-82	2.5'	Same as above.
82-92	2.5'	Same as above. Studied to 87' contains a slight cinnabar trace.
92-97	1.5'	Same as above without cinnabar. More shale (about 1/4 of core).
97-105	1'	Same as above with less shale.
105-112	4.5'	Interbedded fine ss & sh, moderately deformed and sheared. Highly carbonatized or silicified. S-C veinlets most prominent in areas of greatest deformation. Some pyrite.
112-122	2'	Same as above, mostly ss, some coarse,
122-132	4.5'	Interbedded fine to coarse ss & sh. Some long pieces fairly undeformed ss. Deformation & shearing prominent. Silicification or carbonatization especially evident in the ss portions. Veinlets high in SiO_2, some CO_3. Some pyrite.
132-136	2.5'	Same as above with 14" of pure ss at top.
136-147	5'	Alta (Sh, ss, some grst particles) first one foot. Then the above-mentioned ss & sh with less obvious deformation. Proportionately more CO_3 in veinlets.
147-152	2.5'	Alta (mostly sh, some ss and grst inclusions). Carbon. or silic. Some S-C veinlets (mostly CO_3) and pyrite. Traces of FG matter present.
152-162	1.5'	Mostly silic. or carbon. ss with negligible amount of veinlet. Some interbedded shale.

Hole No. 6

162-172	3'	Ten inches ss, then 2" serpentine with some shale. Then 1' alta followed by 1' massive serpentine with some evident pyroxene.
172-182	1.5'	Massive serpentine showing incomplete serpentinization and original texture.
182-192	1'	Same as above.
192-198	1.5'	Same as above.
198-208	0.5'	Same as above.
208-218	3.5'	Same as above. Some stringers of chromite.
218'	Bottom of core.	

NEW ALMADEN MINE

DDH 1165X - Idm-E-64

Hole No. 7

Logged by D. L. Curry

Coordinates (approx)	4080 W	840 N
Direction	N 52 W	Down 67°
Hole Started	January 12, 1952	
Hole Stopped	February 5, 1952	

Depth in Feet	Core Recovery	Description
0- 5	No Core	Serpentine at surface & in sludge. Slight cinnabar trace in sludge.
5-10'	No Core	Serpentine in sludge. Also slight cinnabar trace in sludge.
10-15	1'	Carbonatized ss. Many S-C veinlets (mostly CO3) up to 1" in thickness.
15-20	1.5'	Same as above.
20-25	1.5'	Carbonatized or silicified ss. Much pyrite. S-C veinlets (half & half SiO2 & CO3). Some hydrocarbon matter.
25-30	1'	Same as above. No hydrocarbon matter.
30-33	1'	Same as above with shale trace & fewer veinlets.
33-38	2'	Carbonatized or silicified ss with some shale & a few S-C veinlets & pyrite. Some Hydrocarbon matter.
38-40	1'	Carbon. or silic. ss. Some pyrite. A few S-C veinlets perpendicular to hole. Less SiO2 in veinlets.
40-45	1.5'	Carbon. ss. A few CO3 veinlets & pyrite. Some hydrocarbon matter.
45-50	2.5'	Carbon. ss. Some pyrite. Fewer veinlets.
50-52	1'	Same as above.
52-56	4'	Same as above. Veinlets (CO3) increasing.
56-60	1.5'	Carbon. ss. Some pyrite. Fewer veinlets (CO3 & some SiO2).
60-70	0.2'	Same as above.
70-75	0.2'	Same as above with trace of sh.
75-80	0.5'	Alternating ss & sh. CO3 veinlets. Sh contains ss & grst inclusions, & is s carb.
80-85	0.3'	Carbonatized ss & some pulverized sh.
85-90	0.5'	Carbonatized ss & sh. Some CO3 veinlets.
90-95	No core	
95-100	No core	
100-102	0.5'	Carbon. ss. Trace of sh. Some pyrite.
102-108	No core	
108-113	No core	
113-119	No core	Lost core barrel at 119', eventually moved machinery 1' and started hole over again. Above log is from original position. Following is from second position.
119-123	0.6'	Top half sh. with S-C veinlets & pyrite. Bottom half chert (greenish). Slight cinnabar trace in sludge.

123-126	0.6'	Sh with some included grst. A few S-C veinlets & pyrite.
126-133	1.5'	Coarse ss near top. Rest closely interbedded fine ss & sh. Core is silicified or carbonatized. A few S-C veinlets & pyrite.
133-135	1.5'	Same as above without coarse ss.
135-143	1.5'	Same as above. Piece fine ss at bottom.
143-150	1'	Piece fine ss at top. Rest as above.
150-151	0.3'	Finely interbedded, carbonatized or silic. ss & sh. Some S-C veinlets.
151	No core	Drilled through McKinley Tunnel at 152'. Hit bottom at 162'.

January 31, 1952

162-163	0.3'	Carbonatized ss. S-C veinlets (mostly CO3). Some sh.
163-173	1.5'	Same as above first 4". Then deformed, interbedded carbon. ss & sh. Veinlets negligible.
173-180	1'	Same as latter part of above core. Some greenstone in bottom half. A few CO3 veinlets.
180-188	0.3'	Carbonatized, interbedded ss and sh with grst inclusions. Some CO3 veinlets.
188-191	0.1'	Same as above.
191-199	0.5'	Same as above.
199-200	0.2'	Same as above.
200-208	0.3'	Same as above. Well survey at this point (200'). Bearing; N52W Dip; 87 degrees.
208-210	0.3'	Same as above with about 1/2 grst. Some pyrite in grst.
210-213	0.2'	Closely interbedded ss & sh. Slight grst trace. Some CO3 veinlets. Noticeably deformed.
213-221	0.3'	Same as above without grst.
221-222	0.3'	Same as above.
222-225	0.5'	Carbon. ss with only a trace of sh. S-C veinlets (mostly CO3) & some pyrite.
225-233	0.5'	Alta (mostly sh, some ss and grst inclusions).
233-240	1'	Alta, as above. Midway in core occurs a light green to white, soapy feeling, compact substance (probably talc). Slight trace of cinnabar in sludge.
240-248	0.2'	Alta, first half of core. Then serpentine.
248-251	3'	Sheared serpentine.
251-259	3'	Sheared serpentine.
259-267	4.5'	Sheared serpentine.
267-275	6'	Massive serpentine with some relict structures.
275-283	3'	Same as above.

283' Bottom of core.

[illegible]

[illegible] - 1 - [illegible]

HOLE NO. 6

Logged by B. L. Curry

Coordinates (approx)	6441 N	545 E
Direction	N 11 W	Down 60°
Hole started	February 7, 1952	
Hole Stopped	February 20, 1952	

Depth in Feet	Core Recovery	Description
0'-40	No core	Sand & traces of cinnabar in sludge.
40-45	2'	Small pieces of grit at top of core. Rest is carbonatized ss & sh. S-C veinlets (mostly CaCO3) & pyrite.
45-55	No core	Sludge is apparently shale.
55-60	0.5'	One piece of grit at top, rest is silicified or carbonatized ss & sh. S-C veinlets & pyrite.
60-65	1'	One piece grit at top (probably from above). Rest same as above.
65-70	1'	Silicified or carbonatized ss and sh with S-C veinlets and pyrite.
70-75	No core	
75-80	0.5'	Same as above, at top. Rest is shale or chert.
80-85	No core	Sludge is apparently shale.
85-90	No core	Sludge is apparently shale.
90-95	1.5'	Silicified ss & sh. One piece of grit at middle of core. S-C veinlets up to 1/4" thick. Some pyrite.
95-100	0.5'	One piece of massive serpentine at top. Then one piece ss at bottom.
100-105	0.5'	Massive serpentine and ss.
105-110	4'	First 1' is alta with S-C veinlets & pyrite. Rest is massive serpentine with relict textures and some silicrite.
110-115	3'	Massive serpentine and ss.
120-125	0.5'	Alta
125-130	1.5'	Massive serp. with relict textures & silicrite.
130-135	0.7'	Same as above.
135-140	2'	A 1" piece of ss at top (probably from above). Rest is massive serp. with relict textures and silicrite.
140-145	4'	Massive serpentine with relict textures.
145-150	7.5'	Same as above.
150-155	4'	" " "
155-160	7'	" " "
160-165	6'	" " "
165-170	6'	" " "
170-175	3.5'	" " "
175-180	3'	" " "
180-185	3'	Massive serpentine with relict textures.
185-190	0.5'	Same as above
190-195	0.7'	" " "
195-200	2.5'	" " "

Hole No. 9

Page 2

Depth in feet	Core Recovery	Description
226-233	1'	Massive serpentine with relict textures.
233-243	2.5'	Same as above
243-253	2'	" " "
253-263	4'	" " "
263-272	4'	" " "
272-276	2'	" " "
276-286	0.5'	" " "
286-290	4.5'	" " "
290-293	1'	" " "
293-302	1.5'	" " "
302-312	2'	" " "
312-320	2.5'	" " "
320-330	2'	" " "
330-340	1'	" " ", with some sheared serpentine.
340-350	4'	Sheared serpentine top half of core, then massive serp. as above.
350-360	0.8'	Sheared & massive serpentine.
360-370	2'	Massive serpentine first 8", rest sheared.
370-380	3.5'	Highly sheared serpentine. Bottom 3" is massive serpentine with relict textures.
380	Bottom of core.	

[illegible]

[illegible] 1165-A [illegible] 6-64

Hole No. 3

Logged by R. L. Curry

Coordinates (approx.) 4910 S 710 E
Direction N 12 W Dip 60°

Hole Started February 28, 1952
Hole Stopped March 13, 1952

Depth in Feet	Core Recovered	Description
0-13	2'	Massive greenstone
13-16	2'	" "
16-20	1'	" "
20-25	2'	" "
25-26	0.7'	" "
26-31	2.5'	" "
31-36	1'	" "
36-40	0.5'	" "
40-46	0.5'	" "
46-52	0.5'	" "
52-61	3'	" "
61-70	4'	" "
70-74	2'	" "
74-80	2.5'	" "
80-85	1.5'	" "
85-87	1'	" "
87-91	3'	" "
91-95	4'	" " First 3', then 1' of deep brown cherty rock, with shale-like bands.
95-97	1"	One piece of brown cherty rock.
97-100	No core	Core rod dropped 3' at this point, indicating a possible solution channel.
100-105	3'	Deep brown cherty material as above, with interbedded silicic, shaly-like bands.
105-115	0.7'	One piece massive greenstone (probably from above) at top. Rest is brown to reddish-brown chert or chert-like rock.
115-125	4'	1.5' of chert or chert-like rock. 2' site. Rest is undifferentiated as to sh, hlsh, sheared.
125-130	1'	Undifferentiated as to the first 1/2 of core, then carbonatized as with CO2 veinlets & pyrite.
130-140	6'	Brecciated as with CO2 veinlets & pyrite for 3'. Rest is also fractured & brecciated sh, as in [illegible].
140-148	4'	Undifferentiated & sheared as in chert 1.5', then 1.5' coarse as with a few CO2 veinlets & pyrite. Rest is alte.
148-150	2'	Alte first 1', then massive grnt.
150-154	4'	Massive grnt.
154-163	8'	A little alte (probably from above) at top. Core is massive grnt (?) with much pyrite.

163-173	8'	One piece of S-C rock, then 6.5' massive grat (?) with a 1/2" piece of dolomite bile. Then 1.5' of broken pieces of gs, sh, & grat, with one piece of 1' S-C rock near bottom.
173-183	3'	2' of S-C rock with a few dolomite bilbs. Rest is transitional serp-S-C rock.
183-188	1'	Transitional serp-S-C rock with one small piece of S-C rock at bottom.
188-195	2.5'	Massive serp at top with transitional serp-S-C rock at bottom.
195-205	no core	
205-210	0.4'	Massive serpentine with relict texture.
210-217	2.5'	Same as above.
217	Bottom of core.	

[illegible] 1[illegible]

[illegible] 1[illegible]9-A Ins [illegible]-[illegible]

[illegible] 10

Logged by [illegible]

Coordinates (approx.) 1721 [illegible] 2370 [illegible]
Direction [illegible] 70 [illegible] Dip [illegible]

Hole started March 1, 1952
Hole stopped March 27, 1952

Depth in feet	Core recovery	Description
[illegible]-40	No core	Road fill & alluvium
40-51	1.5'	S-C rock with dolomite hilos up to 2" thru.
51-56	1.5'	" " " " " " " 3/4" "
56-61	0.3'	" " " " " " " 1/2" "
61-65	0.4'	" " " " " " " 1/4" "
65-73	0.5'	" " " small dolomite hilos.
73	0.2'	" " " " "
		S-C rock above is characterized by the presence of pyrite and some hydrocarbon matter.
73-85	No core	
85-93	0.5'	Some S-C rock (probably from above) at top. Rest of core is as with a few S-C veinlets & some pyrite.
93-103	1'	Ss as above.
103-113	No core	Sh in chutes, especially at 105'.
113-123	1.5'	Fine-grained ss with some sh. Few S-C veinlets.
123-133	0.5'	Ss & some sh. Few S-C veinlets.
133-143	1.2'	Ss & sh, sheared & slice-like.
143	0.5'	Ss & sh
		Well survey at 132': Dip=86.25°; Bearing=S 82 E (mag.) or S 70 E (corrected).
153-163	2'	Fine to coarse ss with few S-C veinlets & pyrite.
163-173	2'	Ss & sh with some S-C veinlets & pyrite.
173-183	3.5'	A trace of chert at top. Rest is ss with S-C veinlets & pyrite.
183-193	2'	Ss first 3", chert dike-like zone. Dike-like zone is brecciated & somewhat sheared, containing a highly pyritiferous breccia inclusion as well as sh, ss, grst, & chert. At bottom of core is a little chert.
193-203	4.5'	Fine ss or siltstone.
203-213	0'	Fine ss or siltstone. A few S-C veinlets & pyrite.
213-223	4.5'	Coarse ss or siltstone. A few S-C veinlets & pyrite.
223-233	2'	Fine ss or siltstone. Some chert at top.
233-243	2'	Mostly like ss top 6", rest is siltstone to sh.
243-253	1'	Fine to coarse ss & some chert.
253-263	No core	
263-273	3.5'	Few small pieces of chert top, [illegible]. Rest 3' is silt to lime, the latter predominant [illegible] of ss. Pyrite is prominent throughout.
273-283	[illegible]'	Same as above.

278-288	3/5'	One piece chert at top. Then 3' coarse ss to siltstone. Then 1.5' alta-like rock composed primarily of ss with great inclusions. All of above contains some pyrite. Last 1' is chert with an extreme amount of pyrite, especially in veinlets.
288-298	8.5'	Top 1' is alta-like, as above. Then 3.5' of ss. Next 3' is alta-like with matrix of ss & some sh. Last 1' is primarily sh with some ss. Core is carbonatized or silicified and contains pyrite, especially along sh bands.
298-308	8.5'	Sh at top of core, grading to ss at 2', where said ss contains abundant 3-4 veinlets. Rest of core is primarily ss with few 3-6 veinlets (mostly dolomite). Pyrite throughout core. Carb. or sil.
308-318	7'	ss with few 3-6 veinlets & pyrite.
318-328	8.5'	Highly broken, interbedded ss & sh. Very few 3-6 veinlets & pyrite.
328-329	No core	
329-339	1.5'	Fine ss with 3-6 veinlets & pyrite.
339-341	2'	Alta
341-351	2.5'	Alta first 6", then massive serpentine.
351-361	9.5'	Massive serpentine with relict pyroxene.
361-371	1.5'	Massive serp first 6", then sheared serp.
371-381	1.5'	Sheared serp first 6", then massive serp.
381		Bottom of hole.

HOLE ALLEGEN, INC

DDH 1165-X 13m E-64

HOLE NO. 11

Logged by D. L. Curry

Coordinates (Approx.)	3650 W	600 N
Direction	N 75 W	Down 60°

Hole Started March 29, 1952
Date Stopped April 9, 1952

Depth in Feet	Core Recovered	Description
0-42	No core	Sand in sludge, probably derived from greenstone.
42-44	1'	Oxidized greenstone (probably tuffaceous), contains s-c veinlets & pyrite. Core is badly broken.
44-51	2.5'	Same as above.
51-57	1'	" " "
57-62	1'	" " "
62-67	2.5'	Alternating grst tuff & sh. Few veinlets & some pyrite.
67-72	No core	
72-77	2'	Alternating grst tuff & sh, as above. Sh decreases to nil at bottom of core. Silicification at bottom of core, where bedding is nearly perpendicular to the core.
77-79	1'	Green to red chert or silicified tuff with some pyrite & much hematite.
79-84	4.5'	Same as above first 2'. Rest is crystalline greenstone. Some CO3 veinlets.
84-89	0.6'	Chert or silicified tuff first 8". Rest is crystalline grst (or amphibolite).
89-94	1.5'	Chert or silicified tuff with much hematite.
94-102	1'	Massive (?) grst with pieces of chert or silicified tuff high in hematite in the middle. CO3 veinlets & pyrite thruout.
102-112	No core	
112-118	1'	Carbonatized grst tuff with green nontronite, & dolomite veinlets & pyrite.
116-121	3'	Same as above.
121-127	3'	" " "
127-129	2'	" " "
129-130	1'	" " "
130-135	2.5'	Extremely silicified grst tuff with CO3 veinlets & pyrite. Also contains green nontronite, especially in veinlets.
135-137	2'	Same as above.
137-139	2.5'	Carbonatized or silicified grst tuff with green nontronite, dolomite veinlets & pyrite.
139-145	4.5'	Same as above.
145-156	6.5'	" " "
156-160	3'	" " "
160-162	2'	" " " first 4". Rest is massive grst with diabasic texture. s-c veinlets & pyrite.
162-171	8'	Same as latter part of above core.

171-182	8'	Coarse to fine-grained grst, carbonatized or silicified, with dolomite veinlets & pyrite. Some shearing evident.
182-183	1'	Same as above.
183-191	7'	Silicified or carbonatized grst tuff with occasional serpentine bands which merge with the grst.
191-200	9'	Same as above, with 5' coarser-grained (massive?) grst in middle of core. s-c veinlets & pyrite.
200-212	11'	Silicified or carbonatized grst tuff with occasional serp bands, as above.
212-226	13'	Same as above.
226-232	6'	Silicified or carbonatized grst with occasional serp bands, s-c veinlets & pyrite. Shearing is prominent. Some HC matter near top of core.
232-240	5.5'	Same as above without HC matter.
240-250	8.5'	Grst tuff, highly silicified at some points & containing s-c veinlets & pyrite. Last 5.5' of core is well consolidated sh & ss. Deformation is prominent near contact.
250-260	7.5'	Silicified & carbonatized ss & sh.
260-265	4.5'	Same as above. Bedding nearly perpendicular to core.
265-274	9'	Same as above, mostly sh, & core shearing. Many dolomite veinlets.
274-279	4'	Ss & sh with dolomite veinlets, as above. Shearing here as elsewhere is most prominent along sh bands.
279-289	10'	Half & half ss & sh, silic, or carbo. Less shearing & less dolomite.
289-295	6'	Same as above with shearing most prominent near bottom of core.
295-300	5'	Same as above with shearing thruout.
300-307	6.5'	Same as above.
307-311	2.5'	Mostly ss, some sh, carbon. or silic. Few s-c veinlets & shearing.
311-318	7'	Ss & sh top 1', then 2.5' highly sheared grst with pyrite. Bottom of core is highly sheared sh with ss (alta).
318-327	6'	Alta first 3', then sheared grst with pyrite. HC matter thruout core.
327-337	1'	Grst, ss, & sh with some pyrite & HC matter.
337-347	6'	Sheared & some massive serp.
347-354	4.5'	Serp first 1.5', then alta & grst with HC & pyrite.
354-392	No core	Serp in sludge.
392-396	2'	Sh from above, then sheared serp, massive last 6".
396	bottom of hole.	

HOLE NO. 12

Depth in Feet	Core Recovered	Description
243-253	4'	Ss, sh & some (pebble conglomerate) (or sedimentary breccia) first 2'. Then one 4" piece silicified tuff followed by grst tuff containing abundant pyrite.
253-263	3.5'	1' ss & sh (cave?) then 1' grst tuff. Rest of core is ss, sh & cgl (or breccia).
263-273	4.5'	One piece of coarse-grained ss, then 2' of broken ss with some sh. Rest of core is extremely sheared & shattered ss, sh, & grst.
273-283	3.5'	Extremely sheared & shattered ss, sh, & grst.
283-293	4'	Same as above.
293-302	4'	Sheared ss pieces up to 2" in length. Shear zones prominent at intervals. Few dolomite veinlets.
302-313	1'	Primarily sheared ss as above with some grst at bottom of core.
313-323	0.7'	Same as above without grst.
323-326	0.6'	" " "
326-338	4'	Highly sheared sh, ss, & grst.
338-346	2'	Broken ss & sh, with shearing in bottom 3".
346-347	1'	Sheared & broken ss & sh.
347-358	3'	Consolidated ss at top, rest is sheared ss & sh.
358-367	2.5'	Sheared & broken ss & sh.
367-370	1.5'	Same as above. One 2" piece sh with many dolomite veinlets at middle of core.
370-376	2.5'	Sheared & broken ss & sh.
376-385	1'	Same as above. Dolomite veinlets at top.
385-393	4'	Sheared & broken ss & sh.
393-402	1'	Arkose with some dolomite veinlets & pyrite.
402-413	1'	Same as above.
413-423	~~1~~ 0.6'	" " "
423-433	1'	" " "
433-443	2'	" " "
443-453	1'	" " ", sheared at 8"
453-463	1'	Sheared arkose with some pyrite.
463-473	1'	Breccia, well-consolidated. Fragments composed of arkose, sh, tuff & chert. High pyrite content, especially in arkose & tuff fragments. Matrix is fine dark silt.
473-483	1'	Same as above.
483-493	2'	" " "
493-503	9'	" " "
503-513	8'	Primarily sheared arkose (moderately well-consolidated) first 4'. Then one 2" piece of chert with dolomite veinlets & a few millerite (?) needles in open cracks. Then breccia zone as described above.
513-523	4'	Breccia as described at 463'. Dolomite veinlets occasionally found in tuff fragments indicating, as does the restricted pyrite content, that some mineralization occured prior to brecciation.
523-533	1'	Breccia as described above, though consolidation is poor at this point. One piece of soft rock, appearing to be primarily a carbonate (S-C rock?) at bottom.

NEW ALMADEN MINE

D.A 1165-X Idm E-64

HOLE NO. 12

Logged by D. L. Curry

Coordinates (Approx.) 7141 W 2125 N
Direction S 60 W Down 60°

Date Started April 11, 1952
Date Stopped May 9, 1952

Depth in Feet	Core Recovered	Description
0-32	No core	Primarily alluvium.
32-103	"	Ss & sh in sludge. Much pyrite present.
103-108	2.5'	Mostly ss with some sh. Very few CO3 veinlets & some pyrite. Moderate deformation.
108-113	No core	
113-118	1.5'	6" of S-C rock with hematite veinlets & some pyrite. Rest of core is ss with some shale & one small piece of chert (at bottom).
118-123	No core	
123-128	2'	Ss with some sh & a little chert. Bottom half of core is badly broken.
128-133	3'	Top 1' is badly broken ss, sh, grst, & chert. Next 1.5' is deformed ss with some sh. Bottom of core is highly sheared sh with 1 small piece of serp. & S-C rock with millerite needles. Few veinlets but some pyrite may be seen in the ss
133-138	1.5'	Sheared sh, ss, & grst. with some pyrite.
138-143	No core	
143-148	4.5'	One 5" piece of grst. tuff at top; then 1.5' ss & some sh. Rest of core is highly sheared sh & ss with one 10" piece grst. tuff at middle.
148-153	4.5'	Highly sheared sh & ss. Few s-c veinlets & some pyrite.
153-158	3.5'	Same as above.
158-163	2'	2" sh & grst tuff. Rest of core is carbonatized or silicified ss with few s-c veinlets & pyrite.
163-168	2.5'	Alta first 6", then sheared serpentine.
168-178	7'	Relatively undistrubed, compact arkosic ss with few s-c veinlets & pyrite.
178-183	3'	Same as above.
183-192	4.5'	" sh and shattering increases last 1' of core.
192-202	3'	Badly shattered sh, ss, & grst. One piece of compact ss at bottom.
202-212	4.5'	Primarily ss first 1.5'; rest is ss with about 1/3 sh & is badly shattered.
212-223	2.5'	Same as latter part of above. Extreme shearing last half of core.
223-233	5'	Ss & sh, fairly well-consolidated. One 4" piece of conglomerate (small pebbles) 1' from the bottom of the core.
233-243	3'	Ss, sh, & some (pebble conglomerate) (ore sedimentary breccia) first 2'. Then one 4" piece silicified

HOLE NO. 12

Page 3

Depth in Feet	Core Recovered	Description
533-543	2'	Poorly consolidated breccia with 6" of moderately well-consolidated arkose at middle.
543-553	5'	Sheared arkose & sh. Few dolomite veinlets & much pyrite. Poor consolidation.
553-563	7.5'	Same as above with better consolidation last 3'.
563-573	7.5'	Same as latter part of above for 3'. Rest is moderately well-consolidated breccia composed mostly of ss fragments. High pyrite content.
573-583	3'	Sheared ss with well-consolidated breccia at bottom, breccia is composed primarily of ss & tuff fragments with some s-c veinlets & much pyrite especially in fragments.
573-583	3.5'	Same as breccia described above.
583-593	3'	" " above.
603-613	4.5'	Sheared & broken arkose with some pyrite.
613-623	2.5'	Same as above.
623-633	5.5'	Sheared & brecciated ss (mostly arkose), well consolidated with sh matrix. Some pyrite.
633-643	5'	Same as above with decrease in sh content.
643-653	7'	" " " " some tuff & chert fragments.
653-663	2.5'	" " "
663-673	4.5'	" " "
673-683	4.5'	" " "
683-693	5.5'	" " ". One piece of rock as described at 523'.
693-703	5'	Fairly well-consolidated breccia with some inclusions of s-c rock(?) as described at 523' in top 2'. Much pyrite.
703-713	3'	Less well-consolidated breccia with more sh & no s-c rock inclusions.
713-723	2.5'	Somewhat sheared arkose with some sh. Some pyrite.
723-733	6.5'	Highly sheared & brecciated ss & sh with 1' of compact arkose near middle. Sheared zone is poorly consolidated. Much pyrite.
733-743	5'	Sheared & broken ss & sh as above. Much pyrite.
743-753	2.5'	Same as above.
753-763	2.5'	Mostly broken arkose fragments. Much pyrite.
763-773	7.5'	Pebbles of ss, some sh. Much pyrite.
773-783	4'	Same as above.
783-793	3.5'	Sheared & broken ss & sh. Much pyrite.
793-803	2.5'	Same as above.
803	Bottom of hole.	

SUMMARY:

0-103	No core	Primarily ss & sh, indicated by sludge.
103-202		Primarily ss with some sh. Traces of grst tuff. S-c rock trace at 130'. Sheared serpentine at 165'. Ss is graywacke unless noted otherwise. Shearing & shattering is pronounced, though most of the core is fairly compact.
202-393		Badly sheared ss & some sh. Much fine material washed away in sludge. Core is poorly consolidated at

HOLE NO. 12

Page 4

Depth in Feet	Core Recovered	Description
		best. Resembles alta in its deformation.
393-463		Fairly compact arkose. Noticeable increase in pyrite content, especially insludge.
463-713		Primarily a lithified breccia composed of arkose, tuff, sh, & occasionally chert & grst. Shale is usually the matrix. There is a continuance of the high pyrite content, especially in the arkose & tuff fragments where abundant dolomite veinlets may also be occasionally be found.
713-803		Primarily ss (most arkose, some graywacke). Is sheared & shattered, though fairly compact in comparison to the shear zone mentioned between 202' and 393'.

803 bottom of hole.

[illegible]

[illegible] 11[illegible] [illegible] 8-64

[illegible] 13

Logged by [illegible]

Coordinates (approx.) [illegible] 2[illegible]
Direction [illegible] 49° [illegible] Down 39°

Date Started Sep. 16, 1952
Date Stopped Sept. 17, 1952

Depth in Feet Recovered	Core	Description
0-92	No Core	Same in stage. [illegible] in 8192 and [illegible]. [illegible] is some [illegible]. [illegible]
92-127	"	[illegible] as above but with a high pyrite content. Sinder water turned from reddish-brown to gray [illegible] sand [illegible]
127-128	0.5'	Silicified tuff - fine-grained graywacke.
128-132	2.5'	Poorly graywacke with some silicified tuff [illegible] tuff. Few [illegible] veinlets.
132-137	5.5'	Poorly graywacke with some [illegible] silicified tuff. Few [illegible] veinlets. Last 2' of core is [illegible] shatterzone.
137-147	No Core	
147-152	1'	Poor, shattered graywacke with some [illegible] silicified tuff. Few [illegible] veinlets.
152-157	2'	Brecciated [illegible]. Also [illegible] is a stained [illegible] green clay or [illegible].
157-162	0.5'	Poorly [illegible] [illegible]-[illegible]. [illegible] of pyrite.
162-167	2'	Reasonably [illegible] graywacke with [illegible] in a [illegible].
167-172	2'	[illegible] as above with [illegible].
172-177	2'	[illegible] as above.
177-182	1'	[illegible] as above.
182-187	No Core	
187-192	1'	Reasonably [illegible] graywacke [illegible] in a [illegible].
192-197	1.5'	[illegible] of [illegible] without [illegible].
197-202	1.5'	[illegible] [illegible] graywacke.
202-212	2'	[illegible] as above.
212-222	2.5'	[illegible], [illegible] graywacke. [illegible] 2" piece graywacke at [illegible].
222-232	1'	[illegible] graywacke.
232-242	2'	[illegible] is a [illegible] graywacke.
242-252	1.5'	Graywacke [illegible]. [illegible] graywacke [illegible]
252-262	1.5'	[illegible] graywacke.
262-272	2'	[illegible], [illegible].
272-282	1.5'	[illegible] graywacke. [illegible]
282-292	1.5'	[illegible] graywacke. [illegible]
292-297	2'	[illegible] [illegible] [illegible]

277-307	1.5'	Alto positive & some disseminated serpentine.
307-312	1'	Massive serpentine at top & massive serpentine at bottom of core.
312-322	2.5'	Alto and disseminated massive serpentine veins.
322-324	1.5'	Same as above with veins.
324-342	1'	Massive serpentine.
342-352	2.5'	Heavily mineral serpentine. Fine 2nd piece also as above.
352-362	2.5'	Massive serpentine with a trace of alto.
362-372	2.5'	Heavily veined pyroxene with a trace of serpentine.
372-382	2'	Sheared serpentine with no massive serpentine as bottom of core. Each specimen (serpentine) with fibers up to 2/16" running in cross.
382-397	2.5'	Sheared serpentine with some massive.
397-402	2.5'	Same as above.
402-412	2.5'	Heavily massive serpentine, some sheared serpentine at bottom. Low volatile volatile.
412-422	3.5'	Massive serpentine. Few volatile volatile.
422-427	5'	Same as above.
427-437	1.5'	Same as above.
437-447	0.5'	Same as above.
447-457	1'	Same as above. No volatile (asbestos) showing in core.
457-472	0.5'	Massive serpentine with parallel asbestos veinlets.
472-482	0.5'	3" massive serpentine, then 3" extremely sheared serpentine.

482' bottom of hole.

NEW ALADDEN MINE

DMEA 1165-X Idn E-64

HOLE NO. DDH #1

Logged by D. L. Curry

Coordinates (Approx.) 1635 N 5110 W
Direction S 70° E -75°

Date Started Oct. 2, 1952
Date Stopped Oct. 10, 1952

Depth in Feet	Core Recovery	Formation
0-5	5'	S-C rock with some low-grade cinnabar & some pyrite. Few small quartz & dolom. veinlets.
5-8	3'	Same as above without cinnabar.
8-13	5'	" " " with a trace HgS in dolom. hilo (8'-9').
13-18	5'	S-C rock with some pyrite & a few dolom. hilos. Trace of galena & sphalerite in hilos near top of core.
18-23	5'	S-C rock with very few dolomite hilos. Some quartz stringers & much pyrite.
23-27	4'	Same as above. Slight trace of hydro-carbon matter. Trace of galena & sphalerite last 1'.
27-32	5'	S-C rock. Few dolom. hilos (including one 1/4" wide last 1.5'). Trace of galena & sphalerite at top & bottom. Much pyrite & trace of HC matter.
32-37	5'	S-C rock. Few dolomite hilos (containuation of 1/4" hilo top 1.5'). Much pyrite. Much HC matter last 3.5'.
37-41.5	5'	Same as above with small hilos. Some millerite at 39'. One inch alta at bottom of core.
41.5-47	5.5'	Alta, first 1.5', then 1' deformed ss. Rest is alta. Some pyrite. Many quartz & dolomite veinlets.
47-52	5'	Alta, as above.
52-57	5'	Same as above first 2'. Rest is extremely fine textured grst. tuff with some pyrite & few dolomite veinlets.
57-62	3.5'	Grst. tuff first 6". 1' deformed, coarse ss. 1.5' extremely silicified tuff, then 6" extremely silicified sh. Much pyrite last 2'.
62-67	5'	Extremely silicified alta (?). Few dolomite veinlets. Some HC matter & much pyrite.
67-70	3'	Same as above.
70-75	4'	Extremely silicified fine sediments & tuff with zones of moderate to high deformation separated sharply by nearly equal zones of no noticeable deformation (lamination is conspicuous in the latter). Few dolomite veinlets, some HC matter & much pyrite.
75-80	4.5'	Extremely silicified sediments & tuff showing low to moderate deformation & lamination. Some quartz & dolomite veinlets. Stibnite stringer up to 1/4" wide from 77.5'-78.5'.
80-85	4'	Similar to 70-75' zone.
85-90	4'	Similar to 70-75' zone. Defomration not extreme.
90-95	5'	Same as above.
95-100	4'	" " " with little distrubance & little HC.
100-105	5'	" " "
105-109	3.5'	" " " first 1'. Rest of rest of core is the same but without silicification. No HC matter.

HOLE #UGS 1

109-114	4'	Same as above, silicified at very top, unsilicified next 1'. Rest is extremely silicified after moderate disturbance.

Remarks: Most of the "extremely silicified" rock above exhibits the physical characteristics of chert and might more aptly be termed same. However, the original structure and, to a lesser extent, the texture has been well preserved.
The water was lost early and was never regained for any length of time during drilling. Thus, solution channels of some sort are quite prevalent.

New ALMADEN MINE

WEA 1165X Idm 2-64

HOLE NO. DDH 11

Logged by W. L. Curry

Coordinates (Approx.) 1640 N 5130 W
Direction N 80° W Down 45°

Date Started Oct. 13, 1952
Date Stopped Nov. 3, 1952

Depth in Feet	Core Recovered	Description
0-5	5'	S-C rock. Few dolomite-quartz veinlets. Slight trace HgS in veinlets. Some pyrite. Streaks of jasper throughout.
5-10	5'	S-C rock as above. Jasper content decreasing to nothing. Slight trace of galena & sphalerite.
10-13	3'	Same as above without galena or sphal.
13-18	5'	Same as above with increase of pyrite. No HgS.
18-23	5'	S-C rock with a few dolom.-quartz veinlets & much pyrite.
23-27	4'	Same as above.
27-31	4'	Same as above with trace of sphalerite.
31-32	1'	Same as above without sphalerite. Trace of HgS.
32-40	4'	Same as above. Cave first 1', Rest of core badly broken.
40-46	3'	S-C rock with a few dolom.-quartz veinlets & much pyrite. No HgS.
46-51	5'	Same as above. Some HgS at 50'.
51-54	3.5'	Same as above with no HgS.
54-59.5	5'	Same as above. Trace sphalerite at 55'.
59.5-65	5'	Same as above with no sphalerite. Trace of millerite.
65-70	2'	Same as above. Appears leached at middle. Trace of sphalerite.
70-72	2'	S-C rock with a few dolom.-quartz veinlets & much pyrite.
72-78.5	4.5'	Same as above. Trace of sphal. at top.
78.5-85	5.5'	Same as above without sphal. Some apparent leaching.
85-88	2'	Consolidated S-C breccia zone. Much dolom. vein filling.
88-93	4.5'	2.5' of dolomite vein matter, then breccia zone as above. Rest is S-C rock. Some pyrite.
93-98.6	2.5'	S-C rock with dolomite kilos up to 1.5". Some pyrite & some HC matter.
98.6-102	4.5'	S-C rock with a few dolom.-quartz veinlets, much pyrite & some HC matter.
102-144	34.5'	Same as above. Drill runs as follows: 102'-3'; 106'-2.5'; 111'-5'; 116.5'-2'; 119'-2.5'; 123'-5'; 128'-3.5'; 131.5'-1.5'; 133'-5'; 138'-4.5'.
144-154	9'	Appears leached in 1 or 2 spots. Otherwise same as above.
154-158	2.5'	Same as above top 1.5'. Rest is alta.
158-162	2'	Alta top 1'. Rest is S-C rock.
162-172	9'	Alternating carbonatized alta & S-C rock top 5', then S-C rock with alta lenses (thin). Differentiation is difficult. Much pyrite & some HC matter.
172-183	10'	Alternating S-C & alta as above.
183-191	6'	Primarily S-C rock first 2.5', then carbonatized alta, with much carbonate in small veinlets, for 2', then 1' S-C rock, then 0.5' alta. Much pyrite.
191-194	2.5'	Alta with many talc-like mineral pods. Much pyrite.
194-198.5	4.5'	Somewhat deformed as top 1'. Rest is alta. Much pyrite.
198.5-2[illegible]	[illegible]'	Carbonatized alta with much pyrite.

208-215	4.5'	3.5' carbonatized alta with white to greenish-white talc-like pods. A few dolom.-quartz veinlets. Then 1' S-C rock. Much pyrite & some HC matter.
215-225	10'	Carbonatized alta as above. Then 1' S-C rock.
225-228	3'	S-C rock with a few dolom.-quartz veinlets & greenish-white talc-like veinlets. Much pyrite & some HC matter.
228-236	7.5'	S-C rock, as above. Porous character at bottom.
236-243	4'	S-C rock, as at 225', but without talc-like veinlets. Exhibits porous character.
243-248	2'	Same as above, badly broken at top & bottom. 1" alta at bottom.
248-254	2.5'	Carbonatized alta with few S-C inclusions & some dolom-quartz veinlets & many small carbonate veinlets. Much pyrite & some white to greenish-white talc-like matter.
254-258	2'	Same as above.
258-268	10'	Same as above to 266'. Rest is S-C rock with some dolom. veinlets. Some pyrite & HC matter. Some sphalerite & galena at bottom.
268-273	4'	S-C rock first 1'. Rest is alta as at 248'. Some sphalerite & galena throughout. Some HC & much pyrite throughout.
273-276	2'	Alta as above, top half. Rest is S-C rock with much pyrite & a 1" dolomite veinlet.
276-282	6'	S-C rock with very few dolom-quartz. Some pyrite & HC matter.
282-290	7.5'	Carbonatized &/or silicified alta to 286', with many fine CO3 veinlets & very few dolom.-quartz veinlets, some pyrite. Rest is primarily S-C rock with few dolom-quartz veinlets, some pyrite & HC matter.
290-293	2.5'	S-C rock or highly silicified sedimentary rock. A few dolom-quartz veinlets, some HC, & much pyrite.
293-300	6.5'	S-C rock with a few dolom.-quartz veinlets (one 1/2" veinlet at 299'), some pyrite & HC.
300-305	3'	Same as above.
305-309	2.5'	Apparently intimate mixture of S-C rock & highly siliceous alta. A few dolom.-quartz veinlets. Some pyrite & HC matter.
309-319	8.5'	Extremely silicified alta to 315', carbonatized from there on. Apparent sandy texture at 311'. A few dolom.-quartz veinlets (abundant nr. bottom). Some pyrite & HC matter.
319-326	3'	Carbonatized alta as above. No HC.
326-327.5	1.5'	Same as above.
327.5-334	6.5'	Same as above to 332'. Rest is S-C rock & alta in intimate mixture. Dolomite veinlets abundant bottom 2'. Trace of millerite & some pyrite.
334-339	3.5'	Mostly carbonatized alta with a little S-C rock. One 6 1/2" dolomite veinlet running ~~[illegible]~~ parallel to core. Some pyrite. S-C rock first 6".
339-345	5'	S-C rock, at very top. Alta with some S-C inclusions to 343'. Rest is S-C rock with some alta. Latter has breccia zone dominant at bottom, & is filled with dolomite & quartz. Much pyrite. Dolom.-quartz filled S-C breccia first 3". Rest is S-C rock with a few dolom.-quartz veinlets, much pyrite & traces of HC matter & sphalerite.
345-354	9'	
354-361	5'	Same as above without sphalerite.
361-368	4.5'	Same as above for 2.5'. Rest is carbonatized alta with a few dolom.-quartz veinlets & white to greenish-white talc-like matter. Much pyrite & some HC matter.

368-380	7'	Alta, top 6", then 1' S-C rock. Rest is alternating S-C rock and alta. Some pyrite.
380-389	10'	Alta top 2', then 4' compact arkose with very few veinlets or little pyrite. Then 2' alta with many 1/4" dolomite veinlets. Last 2' is S-C rock.

389 Bottom of hole.

NEW ALMADEN MINE
DMEM 1165X Idn E-64
HOLES NO. 111 & IV

Logged by D.L.Curry

Coordinates (Approx.)	1525 N	5020 W		Date Started Nov. 4, 1952	No. 111
Direction	S 43 E	No. 111		Nov. 5, 1952	" IV
	S 43 E	" IV		Date Stopped Nov. 5, 1952	" 111
	-23°15'	" 111		Nov. 6, 1952	" IV
	+9°30'	" IV			

Depth in Feet	Core Recovered	Description HGS No. 111
0-6	6'	S-C rock with a few streaks of alta. A few dolom.-quartz veinlets & some pyrite.
6-10	3.5'	Same as above top 1.5'. Rest in silicified alta.
10-14	3'	Extremely silicified alta (very cherty) top 1.5'. Rest is silicified &/or carbonatized tuff (very fine texture). Highly deformed before silic. Much pyrite.
14-19	4'	Carbonatized tuff as above. Much pyrite.
19-24	2.5'	Extremely silicified sediments (cherty with jasper). Very much pyrite.
24'	Bottom of hole.	

		Description HGS No. IV
0-5	5'	S-C rock. Few dolom.-quartz veinlets (one 1/4" dolom. veinlet at 2'). Some pyrite & millerite. Some leaching evident with limonite prominent.
5-10	5'	Same as above with less leaching. Some sandy appearing inclusions from 5-8'. Some HC in 1/4" dolom. at 9'.
10-15	5'	S-C rock. Some dolom.-quartz veinlets. Appears to be a few alta stringers from 14'-15'. Some limonite along leached areas. Some pyrite & millerite.
15-19	4'	Primarily S-C rock. Some portions appear to be sedimentary in origin. Few small dolom.-quartz veinlets, trace of HC, some millerite, & much pyrite.
19-27	8'	S-C rock with a few dolom.-quartz veinlets, some millerite, trace of HC, much pyrite. A little limonite. Much leaching at 24'.
27-37	10'	Same as above. Leaching last 1'. Decrease in limonite.
37-45	7.5'	Same as above with little leaching or limonite.
45-51	6'	Same as above.
51-57	5.5'	Same as above with no HC & some leaching.
57-62	5'	Same as above top 3.5'. Similar to S-C rock described at 15' last 1.5'. Two 1/4" dolomite veinlets near 60'. Core badly broken last 1'.
62-72	8.5'	S-C rock with few dolom.-quartz veinlets & some pyrite.
72-81.5	6'	First 4.5' is S-C rock (?) of questionable origin - is very porous. Last 2' appears to be a complex mixture of S-C rock & highly silicified ss. A few dolom.-quartz veinlets & some pyrite.
81.5-90.5	8.5'	S-C rock. Some dolom.-quartz veinlets tending to parallel the core. Some pyrite.
90.5'-101	10'	S-C rock. Some highly silicified &/or carbonatized ss parallels core (& S-C) from 91' to 95'. A few dolomite-quartz veinlets & some pyrite. One color HgS at 100'.
101'	Bottom of hole.	

Summary: Hole seems to brush contact in several spots, especially at 91'-95'.

NEW ALMADEN MINE
DDH 1165X Jan 1-64

HOLE DGS No. V

Logged by D. L. Curry

Coordinates (Approx.) 1635 N 5107 W Date Started November 8, 1952
Direction S 75 W -6° Date Stopped November 17, 1952

Depth in Feet	Core Recovered	Description
0-7	7'	S-C rock. A few dolom.-quartz veinlets. Some pyrite. Traces of HgS. Core broken 4-6'. Limonite stain in fractures.
7-13	1'	Same as above. Core badly broken at bottom.
13-16	3'	Same as above. Traces of disseminated HgS & very much pyrite (bottom 1').
~~16-18~~	~~2'~~	
16-18	2'	S-C rock with a few dolom.-quartz veinlets. Very much pyrite. Traces HgS, especially in veinlets. Some limonite along fractures.
18-19	0.2'	S-C pebbles (possibly cave).
19-21	2'	S-C rock with few dolom.-quartz veinlets. Some pyrite. Traces of HgS. Some limonite along fractures.
21-22	1'	Same as above. More limonite accompanying increased breakage.
22-31	6.5'	S-C rock with a few dolom.-quartz veinlets (1/2" qtz. vein. at 3' & a 1" qtz. vein. at 3.5'. Trace of HgS top 1'. Much limonite top 5'. Increase in pyrite content last 1.5'.
31-32	1'	Same as last 1.5' above. No HgS.
32-38	6'	S-C rock with a few dolom.-quartz veinlets (a ±1" dolom.-quartz veinlet at 36.5'). Broken zone with limonite stain at bottom. Slight trace HgS at top. Some pyrite.
38-48	9'	S-C rock with a few small dolom.-quartz veinlets & 5 or 6 ±1" dolom.-quartz veinlets dispersed throughout length of core. Some pyrite. No HgS.
48-53	5'	S-C rock with a few small dolom.-quartz veinlets & 3 or 4 ± 1" dolom.-quartz veinlets. One dominantly dolomite veinlet paralleling core from 49.5' to 52'. Much pyrite. Very slight trace of chalcopyrite. Slight trace HgS.
53-63	10'	S-C rock with a few dolom.-quartz veinlets plus 5 or 6 ± 1/2" veinlets, especially at top of core. Much pyrite. No HgS.
63-66.5	3.5'	Same as above with 5 or 6 ± 1/4" dominantly quartz veinlets.
66.5-74.5	7'	Same as above with a few dolom.-quartz veinlets smaller than 1/4". Trace of millerite.
74.5-84	10'	S-C rock with several ± 1" dolomite veinlets. Much pyrite & a slight trace of millerite. Vugs at 76' & 81'.
84-88	4'	S-C rock with a few dolom.-quartz veinlets. Vugs at 86'. Much pyrite.
88-98	9'	Same as above. Vugs throughout. Some porous rock & limonite, especially top 4.5'
98-100	2'	Same as above with no limonite, less pyrite, & some HC.
100-110	10'	S-C rock with a few dolom.-quartz veinlets (increase in number & size from 106' to 110'). Occasional fractures with accompanying limonite. Some pyrite.
110-120	10'	S-C rock. Much limonite top 5'. Many dolom.-quartz veinlets (~3/4" in size). Traces of millerite. Some pyrite. Specks & stringers of hematite.
120-125	5'	Same as above without limonite or millerite. Rock becomes very light in color last 2'; & contains many hematite stringers.
125-135.5	10.5'	S-C rock with a few dolom.-quartz veinlets & some pyrite. Some

135-146	9.5'	S-3 rock with a few dolo.-quartz veinlets & some pyrite. Porous & broken zones at 138', 139', & 141'. Fracturedness rock containing many hematite surfaces at 6'.
146-147	1'	Same as latter part of above.
147-153	2.5'	Same as above.
153-158	2.5'	S-3 rock with a few dolo.-quartz veinlets & some pyrite.
158-162	4.5'	Same as above. Chlorite seen on inside of core.
162-167	5'	Same as above, with no jasper. Broken last 3'.
167-170	3'	Same as above. 1/8" dolo. veinlet at 168'. Broken last 3'.
170-172	2'	S-3 rock with a few dolo.-quartz veinlets & much pyrite. Some stringers of jasper. No core last 1' at bottom.
172-177	5'	Same as above.
177-182	5'	Same as above. Trace of jasper at 179' & bottom. Slight trace jasper at top.
182-187	5'	S-3 rock with a few dolo.-quartz veinlets & much pyrite. Seen jasper at bottom especially at bottom. Trace jasper at top & bottom (discontinued bottom 1').
187-192	5'	S-3 rock with a few dolo.-quartz veinlets & pyrite. Trace of disseminated jasper top 1'. Broken & jasper content at top.
192-197	5'	Same as above with no jasper & no jasper. 3/4" dolo.-quartz veinlet at 197'.
197-202	5'	Same as above with leaching at 197' & bottom 1'.
202-212	9.5'	S-3 rock with a few dolo.-quartz veinlets & much pyrite. Rock has a porous character in spots.
212-222	10'	Same as above. Trace of jasper (partially disseminated) accom. by high jasper content at 214' to 216' & at 220'. Last 1' has much jasper & some serpentine. Hematite is common in jasper zones. Slight amount of chlorite. 1/8" dolo.-veinlet (with asbestos character) parallels core last 1'.
222-232	10'	Same as last 1' of above to 223'. Rest is massive serpentine with many S-3 veinlets.
232-242	10'	Same as latter part of above to 235'. Rest is transitional S-3-C. Some partially carbonatized asbestos veinlet parallels core from 237' to 241'.
242-252	10'	Same as latter part of above (varying degrees of transition). Some partially carbonatized asbestos veinlets.
252-262	10'	Same as above.
262-272	10'	Same as above to 267'. Rest is serpentine with many S-3 veinlets.
272'	Bottom of hole.	

[illegible]
Shaft 2168X Lev[illegible]-6A

Hole No. [illegible] 61

Logged by [illegible]

Coordinates (approx.) 1435 [illegible] 5167W Boxed Started Nov. 19, 1952
Direction S 79 E -25° Date Stopped Nov. 20, 1952

Depth in Feet	Core Recovered	Description
0-9	8'	S-C rock with a few dolom.-quartz veinlets & some pyrite. Core HQ (high-grade stria or ± 1/4" at 3'). Fractures with limonite stain at 4', 6', & bottom.
9-15	5.5'	S-C rock with a few dolom.-quartz veinlets (1/2" veinlet at 12'). Some pyrite. No HQS. Some fractures with limon.
15-17	1.5'	Same as above. 1/2" dolom.-quartz veinlet at top. Much pyrite.
17-20	2.5'	Same as above. Top 1' is broken up.
20-25	4'	Same as above. Center 1' is broken up.
25-27.5	2.5'	S-C rock as above. Broken at center.
27.5-29.5	2'	S-C rock as above. Broken at bottom. Trace of sphalerite & galena.
29.5-41	10'	S-C rock with a few dolom.-quartz veinlets, some pyrite, & a trace of millerite. Broken zone with limonite stain at 34'.
41-50	9'	Same as above. 3/4" dolom.-quartz veinlet at 46'. Very slight trace of HQS at 48'.
50-55	3'	S-C rock with very few dolom.-quartz veinlets, some pyrite & some millerite. Some limonite stain top 1'.
55-58	3'	S-C rock as above.
58-63	5'	S-C rock with a little alta along some shear planes. A few dolom.-quartz veinlets, some pyrite, millerite, & H.S.
63-68	4.5'	Same as above, now covered 1/4" to 1/2" dolom.-quartz veinlets last 2'.
68-71	1'	S-C rock as above top 6". Most is carbonatized alta with many small QFP veinlets.
71-73.5	0.5'	Alta as above.
73.5-80	6'	Carbon. alta with many dolo QFP veinlets. Some white to limonite-white talc-like inclusions & stringers. A little pyrite, especially at bottom.
80-89	6.5'	1' alta as above, poorly consolidated at bottom. Rest is carbonatized, coarse-grained sheared granite. Some pyrite & very few dolom-quartz veinlets.
89-97	6'	Arkose as above with very few veinlets. Broken up at 92'. Nothing where not sheared badly, parallels the core in last 2'. Some pyrite.
97-107	10'	Same as above with some fine-grained as fro 98' to 99'. Nothing clearly parallels core. 2" of carbonatized alta like as the bottom of the core.
107-113	3.5'	Arkosic alta. 4" of talc-like material at 111'. Sandstone (arkose) as above. Nothing brake to parallel core.
113-119	5'	Arkose as above. 4" of talc-like material at 117'.
119-[illegible]	2'	Arkose as above (carbonatized or millerized), some finer-grained as in [illegible]. Also [illegible] of [illegible] quartz & [illegible] (irregular) [illegible]

		[illegible] as greenstone.
1[illegible]-126.5	4.5'	Carbonatized or silicified, coarse-grained sheared arkose. A few dolom.-quartz veinlets, some pyrite. Arkose shearing bottom 1', where core is badly broken up.
126.5-133	5'	Carbonatized or silicified, coarse-grained moderately to highly sheared arkose with dolom. greenstone inclusions. Some pyrite. A few dolom.-quartz veinlets. Core is broken at bottom.
133-137	3.5'	Same as above, with only moderate shearing.
137-1[illegible].5	2'	Same as above, shearing less pronounced. Badly broken last 1'.
1[illegible].5-143	1'	Same as at 133'.
143-146	1.5'	Same as above.
146-153	5'	[illegible] area (?), top 1.5', then 1.5' highly silicified chert (mostly sr). Last 2' is as in above.
153-156.5	3'	1' arkose as at 133'. Rest of core is extremely silicified (cherty ? jasper), brecciated. Original character of the latter is completely erased. Some silica veinlets, much pyrite, & some dolomite.
156.5-163	2'	Same as latter part of above.
163-165	1.5'	Same as above, without brecciation but with moderate deformation. Original sedimentary texture occasionally noticeable.
165-167	3'	Same as above. Many dolom.-quartz veinlets bottom 1'.
167-177	7'	Extremely silicified (cherty) moderately to highly deformed undifferentiated sedimentary rock. A few dolom.-quartz veinlets & much pyrite. A prominent brown zone from 3' to 5' with dolom.-quartz filling. Some MC matter.
177-183	5.5'	Same as above. BUT Some of core exhibits sandy texture, gives a much less cherty appearance. Bedding about 15° to 20° off direction of core.
183-190	6'	Primarily extremely silicified deformed as with bedding at about 15° to 20° off direction of core. Some cherty rock is at 187' at top & bottom. A few dolom.-quartz veinlets, some pyrite & some MC matter.
190-193	2'	Extremely silicified deformed as with occasional cherty undeformed sedimentary areas. A few dolom.-quartz veinlets, some pyrite, & some MC matter. Bedding at 15°.
193-203	9.5'	Extremely silicified undifferentiated sedimentary rocks, mostly unbrecciated, but with some highly deformed areas. Silicification most complete in disturbed areas. Bedding at 15° to 30° of core. A few dolom.-quartz veinlets, some pyrite, & some MC matter.
203-208	2'	Same as above, but more highly silicified. Bedding at 15° to 30° of core. Much dolom.-quartz vein matter bottom 6". Much pyrite, & some MC matter.
208-211	3'	Same as above. Some silicified greenstone built at bottom of core.
211-214	3'	Same as above (most so) top 2.5'. Then 2' white brecciated cherty rock to greenstone last 5'. Last is partially silicified.

224' Bottom of hole.

[illegible]

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COMMONWEALTH SHIPPING CORPORATION

Diamond Drill-hole log

[illegible]

D.D.H. No. [illegible] VIII

Logged by J. L. Murry

Location 12+68N - 5335 W		Length	62 feet
Started Feb. 7, 1953		Bearing	S 41 E
Stopped Feb. 10, 1953		Dip	-25 degrees

Depth	Recovery	Formation
0'	8.5'	Silica-Carbonate rock with a few dolomite-quartz veinlets. Many limonitized fractures. Much pyrite. Slight trace MgO at top.
13'	8'	Same as above with less fracturing & no MgO.
21'	7'	S-C rock as above. Many fractures. Some limonitization & a little leaching along fractures. Much pyrite.
29'	4'	Same as above with only a little fracturing near bottom. Slight trace MgO & a little hydrocarbon matter at top.
33'	2'	S-C rock with a few dolomite-quartz veinlets & much pyrite. No MgO.
35'	7'	Same as above. Some HC matter.
42'	6'	Same as above.
48'	1.5'	Somewhat silicified alta (sheared chalc, greenstone, & a little sandstone). Much pyrite & a little HC matter. Many small carbonate veinlets & some small quartz veinlets.
52'	3'	Same as above.
54'	3'	Chert with some quartz-dolomite veinlets, some pyrite, & a little HC matter.
62'	Bottom of hole.	

Shear-planes found in the alta and some S-C rock make an angle with the core of 35 to 45 degrees. This angle would indicate a dip of the footwall contact of 10 to 20 degrees westerly.

GAMMON MINE COMPANY

Diamond Drill-Hole Log

[illegible]

Logged by D. L. Curry

HOLE NO. [illegible]

Location 12600-53,550
Started Feb. 19, 1953
Stopped Feb. 21, 1953

Length 500 feet
Dip +49.5 degrees
Bearing S 61 E

Depth	Recovery	Formation
0'	6'	Largely transitional serpentine-silica-carbonate rock. Limonitization is accompanied by some leaching in top 3'.
9'	5.5'	Same as above with some S-C rock. Some dolomite-quartz veinlets & much pyrite. Fair trace bmb at 12'.
13'	3'	S-C rock with a few dolomite-quartz veinlets. Considerable limonitization & some leaching. Much pyrite. No. bmb.
16'	7'	S-C rock with some dolomite-quartz veinlets & some pyrite & millerite.
23'	10'	Same as above. A 1" dolomite-quartz vein & several smaller ones.
33'	10'	Same as above with less millerite. Some hydrocarbon matter last 5'.
43'	7'	Same as above with some HC throughout. Broken up last 3'.
52'	10'	S-C rock with a few dolomite-quartz veinlets, some pyrite & a trace of millerite. Limonitization at 55'. A trace of chalcopyrite.
62'	10'	Same as above with a slight trace of HC.
72'	8'	Same as above with no chalcopyrite. A 1.5" dolomite-quartz vein at 7'.
81'	4'	Same as above.
85'	9'	Same as above. Some prominent vugs. Hematite stain in veinlets last 1'.
94'	6'	S-C rock with a few dolomite-quartz veinlets & much pyrite. Trace of millerite. Some hematite stain in veinlets from 94' to 95'.
101'	10'	Same as above. Slight trace of stibnite at 104'. Some hematite stain in veinlets from 107' to 108'. A 1" dolomite vein at 102'. Some HC.
111'	6'	S-C rock as above with some HC.
117'	10'	Same as above. A small amount of hematite stain in veinlets. A 1½" dolomite vein at 118' & a 1" vein at 124'.
127'	10'	Same as above. A 1½" vein at 139'. 2 or 3 close fractures with limonite stain. Less hematite stain.
137'	6.5'	Same as above with several close limonitized fractures.
145'	8'	Same as above. Last 2' of core is mostly dolomite (with some quartz) vein matter. Zone was brecciated before crystallization of vein matter. Last 6" is broken up.
155'	4'	Badly broken vein matter top 1'. S-C rock from there on. Badly broken last 1.5'. A little chalcopyrite & bornite near top.
165'	2'	S-C rock, broken up, especially top 1'.
170'	5'	Somewhat broken S-C rock with many dolomite-quartz veinlets, much pyrite & some HC matter. Much hematite

HOLE NO. UES #1X (Continued)

Depth	Recovery	Formation
		stain in small veinlets.
176'	6'	Same as above but with broken zone only last 1'.
182'	1.5'	S-C rock as above.
192'	3.5'	S-C rock with some dolomite-quartz veinlets & some pyrite. Somewhat broken up. Somewhat leached in spots, especially at bottom.
203'	7.5'	S-C rock with a few dolomite-quartz veinlets & some pyrite. Much HC at 207'. Several close, limonitized fractures showing a little leaching.
211'	10'	S-C rock with some dolomite-quartz veinlets & some pyrite. Some limonitization along a few close fractures rest of rock. Much HC from 217'
221'	7'	S-C rock with a few dolomite-quartz veinlets & some pyrite. Much limonite & some hematite in veinlets. Some HC. Core broken 2' to 3' & 4' to 6'.
231'	9.5'	Same as above with much less limonite in veinlets but some along 3 or ~~f~~ 4 fractures.
241'	7'	Primarily dolomite-quartz vein filling top 2'. Rest is highly silicified S-C rock, brecciated & vein filled to 246'.
248'	9'	Highly silicified S-C rock to 251', less silicified from there on. A few quartz-dolomite veinlets, some pyrite & HC, & a little millerite. A trace of sphalerite at 255'.
257'	7'	Same as latter part of above. A little chalcopyrite at 260'.
264'	10'	S-C rock as above. A little hematite stain in veinlets last 2'.
275'	10'	S-C rock with a few dolomite-quartz veinlets (1" veinlet at 276' & 2" veinlet ~~f~~ at 279'). Some pyrite & HC. Some jasper & some hematite stain in veinlets.
285'	10'	Same as above, less jasper & much HC.
295.5'	9.5'	Same as above with no jasper or hematite.
306'	7'	S-C rock with a few dolomite-quartz veinlets & some pyrite & millerite. Much jasper & hematite thruout. Traces HgS thruout most of core (near veinlets). Fracture zone partially leached at 309'. 4" of dolomite vein matter (broken) 3' from bottom of core. Last 5' shows shearing & mineralization tending to parallel core.
316'	9'	S-C rock as bottom part of above. Small pea-sized mass of HgS in dolomite vein at 323'.
325.5'	10'	Same as latter part of above. Less jasper near bottom.
336'	8'	Same as above with increased jasper near bottom. Slight trace HgS at 344'.
346'	6.5'	S-C rock with a few dolomite-quartz veinlets (1/4" vein at 347'). Some jasper & hematite. Much pyrite & millerite. Trace HgS at 352'.
353'	6.5'	S-C rock as above. Traces of HgS in veinlets top 2', partially disseminated. Core somewhat broken at bottom.
363'	5'	Same as above, broken at 3' & bottom. Very slight trace HgS at 366'.

HOLE NO. DDH 71 (Continued)

Depth	Recovery	Formation
370'	10'	Same as above. Much hematite & jasper top 5' & from 377' to 378'. No MgS.
380'	9'	Same as above with little hematite or jasper from 383'. Some NC from 383'.
390'	10'	Same as above with NC matter. Some jasper & hematite from 373' to 396'.
401'	9.5'	Same as above with a little jasper & hematite. Less millerite & pyrite.
411'	10'	Same as above.
421'	7.5'	Same as above with more jasper & hematite. Badly broken bottom 6'.
429'	10'	S-C rock as above with moderate to extreme silicification. Much jasper in places. A little leaching & limonitization in spots.
439'	9.5'	Same as above without leaching or limonitization & with less jasper. Much NC matter.
450'	9.5'	Same as above with weaker silicification.
460'	~~xxx~~ 10'	S-C rock with some dolomite-quartz veinlets & some pyrite & millerite. Highly silicified to 461' & from 467' to 470'. Rest of rock is highly porous (leached) in character with many small carbonate veinlets. Some NC.
470'	10'	S-C rock with many small dolomite-quartz veinlets. Some pyrite & millerite & much NC matter.
480'	10'	Primarily transitional serpentine-silica-carbonate rock with some pyrite.
490'	10'	Primarily serpentine with many dolomite-quartz veinlets (small).
500'	Bottom of hole.	

[illegible]

[illegible]
DIAMOND DRILL HOLE LOG
HOLE NO. [illegible]

Logged by J. L. Curry

[illegible] on 12521 - 5343		Length	313 feet
[illegible] Feb. 23, 1953		Bearing	S 36.5 E
[illegible] March 2, 1953		Dip	Horizontal

Depth	Recovery	Formation
0'	10'	[illegible]-C rock with much dolomite-quartz vein matter in spots. Much pyrite. Core is badly broken in spots & there is much limonitization.
17'	5'	[illegible]-C rock with a few dolomite-quartz veinlets & much pyrite. 4 or 5 close fractures accompanied by a little limonitization.
22'	9'	Same as above with some MC matter & a little millerite. No limonitization last 5'.
31'	10'	C-S rock with a few dolomite-quartz veinlets, some pyrite, some MC, & a trace of millerite.
41'	10'	Same as above. A little soft & broken at 49'.
51'	4.5'	Same as above. Badly broken bottom 1'.
56'	8.5'	Same as above with much pyrite. Badly broken at 58', 60', 66' & bottom 1'.
68'	6'	Same as above with increased millerite content.
74'	4'	Same as above with some millerite. Somewhat porous in spots.
79'	2.5'	Same as above without porosity.
82'	5'	Same as above with less MC matter.
84'	2'	Same as above with a little MC matter. Broken at bottom.
91'	9.5'	Same as above with some specks of Hm near a veinlet from 93' to 94'. A 2" dolomite-quartz vein at 91'.
101'	6'	Same as above with much hematite in 6" of core at 103'. Core badly broken bottom 6". No Hm.
110'	5'	[illegible]-C rock with some pyrite, a few dolomite-quartz veinlets, & traces of millerite.
116'	10'	Same as above.
126'	8'	Same as above.
134'	9'	Same as above with some MC matter. 1/2" dolom-quartz vein at bottom.
144'	8'	Same as above. Less MC matter. Much limonite & hematite from 150' to 151'. Somewhat broken at bottom.
152'	4'	Same as above with much pyrite, & no Fe_2O_3. Broken at bottom.
157'	6'	[illegible]-C rock with a few dolomite-quartz veinlets, much pyrite, traces of millerite, & some MC matter.
165'	6'	Same as above with a 1/2" dolom-quartz veinlet at 169'.
172.5'	9'	Same as above with a negligible amount of MC matter.
181'	9'	Same as above. Somewhat broken at 186'.
191'	7'	Same as above with 4" to 5" of alta at 192'.
201'	4.5'	Same as above with no alta.
206'	10'	Same as above.
216'	5'	Same as above with increased MC content.
221'	9.5'	Same as above with some MC matter.
231'	10'	Same as above with some limonite along several close fractures.
241'	10'	Same as above with limonite. Fair trace of Hm in veinlets at 244.5'.
251'	10'	Same as above, but generally silicified last 5'. No Hm or limonite.

Depth	Recovery	Formation
261'	4'	Silicified alta with many small quartz-dolomite veinlets & much pyrite to 262'. Rest is carbonatized sheared, fine to coarse sandstone with much pyrite & a few dolomite-quartz veinlets.
266'	5'	Carbonatized sheared, medium-grained arkose with some dolomite-quartz veinlets & much pyrite.
271'	5'	Carbonatized sheared, very fine to medium grained sandstone with some dolomite-quartz veinlets & much pyrite.
276'	5.5'	Same as above with a little shale & less pyrite.
282'	5.5'	Same as above with some pyrite.
290'	10'	1' of carbonatized alta (chiefly sandstone) with many dolomite-quartz veinlets & some pyrite. Then 2' of S-C rock with several dolomite-quartz veinlets & some pyrite. Then 2' of carbonatized highly sheared sandstone with many small dolomite-quartz veinlets & some pyrite. Rest is primarily S-C rock as above.
298'	7.5'	3' of alta as at 290', then 2.5' S-C rock as at 289'. Rest of core is alternating S-C rock and alta. Much dolomite-quartz vein matter at 3' to 4' from top of core.
308'	4.5'	1' of alta as at 298'. Rest of core is primarily extremely silicified S-C rock as at 256' to 261'. There are 2" dolomite-quartz veins at 309' & 309.5', & a 1" vein at 311'.
313'	Bottom of hole.	

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
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FINAL REPORT ON EXPLORATION

AT

NEW PINGUEN MINE, CALIFORNIA

Submitted to

CONDERO MINING COMPANY

by

Lloyd W. Staples, Consulting Geologist

Donald L. Curry, Ass't. Resident Geologist

April 15, 1953

PLATES

(In pocket, inside of back cover of report)

PLATE 1 Geologic Map of New Almaden Mine

PLATE 2 Topographic Map of Part of New Almaden Mine Area, Showing Surface Diamond Drill Holes and Contours on Upper Serpentine Sill

PLATE 3 Topographic Map of America Mine Area and Sections L-L', K-K'. Sections J-J' and H-H' of Plate 2

PLATE 4 Geologic Map of Day Tunnel Level Showing Monthly Progress and Underground Diamond Drill Holes

PLATE 5 Revised Section A-A', from Special Report 17, Showing Diamond Drill Hole #7

PLATE 6 Subsurface Contour Map of Contact III Showing Underground Diamond Drill Holes #1 to #6 and #8 to #10, and Sections A-A', B-B', C-C' and D-D'

TABLES

TABLE 1 Summary Log of Surface Diamond Drill Holes.....p. 11

TABLE 2 Summary Log of Underground Diamond Drill Holes...p. 12

REPORT ON EXPLORATION AT THE NEW ALMADEN MINE

SANTA CLARA COUNTY, CALIFORNIA

by

Lloyd W. Staples, Consulting Geologist

and

Donald L. Curry, Ass't. Resident Geologist

SUMMARY

Exploration work at the New Almaden Mine, Santa Clara County, California, was begun by the Cordero Mining Company on August 15, 1951 and completed on March 15, 1953. This work, done as a MRA project, followed the, "Suggestions for Exploration at New Almaden Quicksilver Mine, California", Special Report 17, February 1952, by Edgar H. Bailey. All diamond drill holes were a proved as to location by the Geological Survey. The program consisted of the following three phases of work: (1) Reopening the Day Tunnel. (2) Diamond drilling of the surface, (A and B Areas). (3) Diamond drilling from stations on the Day Tunnel level, (C and D Areas).

The reopening of the Day Tunnel proved to be much more difficult than had been anticipated and the time required for its completion was from the start of the project until August 1952. During this time the surface diamond drilling was completed, with a total of 5080 feet drilled. After completion of the tunnel reopening, the underground program was started and a total of 2680 feet was drilled.

None of the diamond drill holes encountered ore, although occasional weak showings of cinnabar were found. In general, the predicted structures were encountered, although with less success from the surface than from underground. The fact that almost no cinnabar was encountered in areas that were structurally favorable for ore concentration led to the conclusion that further work in these areas was not economically feasible.

Because of the failure to encounter orebodies, the second part of the program, which was to have been their development, was not put into operation.

INTRODUCTION

The geologic investigation of a small portion of the New Almaden Mine was undertaken by the Cordero Mining Company under DMEA Docket No. 1165X, Contract Idm-E-64. The supervision of the contract by the Bureau of Mines was under the direction of Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region #3. The general areas to drill were suggested by Dr. Edgar H. Bailey of the U. S. Geological Survey and an attempt was made to prove up the structures predicted by him as a result of a careful study of the geology of the mine. The details concerning the geology and locations of structures to be examined were fully set forth in a publication of the California Division of Mines, "Suggestions for Exploration at New Almaden Quicksilver Mine, California", Special Report 17, February 1952, by Edgar H. Bailey. The exploration program followed the suggestions of this report with great care and consequently, much of the material which would otherwise have to be included in this summary may be omitted and reference

made to Report 17, which is included as an integral part of this report.

The opening of the Day Tunnel and its constant checking and strengthening, as well as the cutting of drill stations and care of all company equipment, was ably supervised by Bert Mitchell. Much of the credit for the safe completion of the project must go to Mr. Mitchell, whose expert knowledge of the ground proved invaluable.

All of the logging of the cores and compiling of data was done by Donald L. Curry, Assistant Resident Geologist for the Company. General supervision of the underground drilling, starting and termination of underground drill holes within the proposed targets were under the direction of Dr. Lloyd W. Staples, Consulting Geologist.

Both the surface and underground drilling was done under contract by Boyles Brothers Drilling Company of Salt Lake City, Utah.

The entire program lasted one year and seven months, starting on August 15, 1951 and ending March 15, 1953. Underground drilling awaited completion of the reopening of the Day Tunnel, but surface drilling was carried on concurrently with the reopening.

GENERAL GEOLOGY

The mines of the New Almaden district lie along Los Capitancillos Ridge, which is composed mostly of Franciscan rocks of Jurassic (?) age. These rocks are sandstones, shales, limestones, tuffs, greenstones and cherts, with many intermediate varieties. Into these rocks was intruded serpentine sills and dikes, which are very important from the standpoint of ore localization. The margins of the serpentine masses have been hydrothermally altered to a characteristic type of rock referred to as "silica-carbonate rock", "S-C rock", or "quick-

silver rock". The orebodies have been found in the silica-carbonate, especially where "alta" (a gouge composed primarily of sheared shale has acted as a trap to confine the ore-bearing solutions.

Structurally, Los Capitancillos Ridge is an anticline with its axis roughly paralleling the Ridge. A major fault offset the Guadalupe and Senator end of the Ridge toward the north. The central part of the Ridge remains relatively unexplored and is not without promise as a productive area. At the southeastern, or New Dresden end of the Ridge, Pine Hill is located near the apex of two oppositely pitching serpentine noses which were very important in localizing the already mined orebodies. The present exploration program was concerned with investigating these noses, or sills, and some of their offshoots.

The best orebodies of the New Dresden area were of the replacement type and were found in the hanging wall of the serpentine masses, where flat-lying silicarbonate rock was capped by thick "alta", or, in the case of steeper bodies, where many gash fractures in silica-carbonate rock resulted from bedding-plane faulting on the "alta" contact. On the other hand, some good stopes were found on the serpentine footwall in the silica-carbonate rock and above the "alta". Wherever possible, these occurrences were all tested in the present program.

Plate 1 of Special Report 17 (Bailey) shows the four structures (A, B, C, and D) which were tested in the drilling program. Structures A and B were diamond drilled from the surface, and structures C and D were drilled from the level of the Bay Tunnel. These will be discussed in detail in the sections to follow on surface

Diamond Drilling and Underground Diamond Drilling.

REOPENING THE DAY TUNNEL

The Day Tunnel was found to be more badly caved than was expected and, as a result, its reopening required a much longer time than was anticipated. Work on the reopening of the tunnel was started on August 15, 1951. Reopening was accomplished by 5 men (including the superintendent) on two 8-hour shifts, working 6 days a week. Several plugs, consisting of very heavy, water-soaked ground (mostly shale to 500 feet, and serpentine thereafter) were encountered. Spile-driving and close-set timbering was necessary. The last plug was removed by August 27, 1952, 1590 feet from the portal. Rail and air-line was then laid to the position of the first drill hole (see Plate 4) and to the plug in the Santa Rita cross-cut. Opening of the Santa Rita cross-cut was begun September 11, 1952 and was completed October 31, 1952. The cross-cut was then driven and timbered 30 feet farther and a diamond drill station prepared (see Plate 4), the latter being completed November 26, 1952. A two-man crew was retained on the job to replace timbers and strengthen the Day Tunnel. This maintenance work was continued to the completion of the project. Additional rail and air-line was laid to the position of the eighth hole on January 24, 1953. The monthly progress on reopening the Day Tunnel is shown on Plate 4.

SURFACE DIAMOND DRILLING

The surface diamond drilling project consisted of 13 holes (see Plates 2 and 3 for locations). Holes #1 to #4 tested Structure A, and holes #5 and #9, and #11 explored Structure B. Hole #10 probed another favorable area on the upper sill. Holes #12 and #13 tested

different sills to the northwest of Mine Hill in the once-productive America Mine area. Plate 1 is a map of the surface geology and may be used to locate the relative positions of the Mine hill and America mine areas. Correlation between the surface and sub-surface geology is very difficult and structural and stratigraphic predictions of sub-surface geology from the surface geology are apt to be erroneous.

Considerable difficulty was encountered in surface drilling, especially in some of the serpentine. Casing and cementing was often necessary to prevent caving, and in the case of hole #13, the drillers had to use a drilling mud.

A total of 5080 feet was drilled from the surface. Table 1 is a summary of the surface diamond drilling data.

Structure A - Structure A was regarded as a northwest trending arch of the serpentine sill with its apex to the east of the main camp area. Diamond drilling of this area showed that an arch does exist, but ends abruptly with a nearly vertical downward plunge immediately east of the camp. A vertical plunge of the sill may also be found to the north in the region of the Day Tunnel. (Compare Plate 1, Special Report 17, and Plate 2 of this report). Old mine reports (see report of W. H. Christy, November 23, 1889) show that a drift on the 1100 level followed this steep contact for 600 feet on each side of the Day Tunnel and found neither ore nor silica-carbonate rock. Attempted lithologic correlation of diamond drill-holes #1 and #4 with holes #2 and #3 was unsuccessful. The above-mentioned facts point to the probability of a major fault striking about N 30 W through the camp area. Section H-H', Plate 3 shows the probable

position of this fault. No silica-carbonate rock and only traces of cinnabar were found on the arch.

Structure B - Structure B was proposed as a possible nose connecting the once productive San Francisco and Cora Blanca workings (see Report 17, Plate 1). Diamond drill holes #5 to #9, and #11 tested this area. A compilation of the data from these holes results in the conclusion that an arch with a northwest trend, connecting Cemetary and Mine Hills, exists in this area. For a comparison of the proposed structure with the actual structure, see Plate 2 and Report 17, Plate 1. None of the holes drilled in this area showed more than small traces of cinnabar. Hole #9, however, recovered 2 feet of silica-carbonate rock from the hanging wall of the serpentine sill, the only silica-carbonate rock found on the structure.

Other Surface Drilling - Upon completion of the drilling of areas "A" and "B" nearly 2000 feet of the allotted surface diamond drill footage remained. Two promising areas were chosen for further exploration. Hole #10 (see Plate 2) explored a favorable spot on the upper serpentine sill that was surrounded by stoped-out ground. This hole drilled into serpentine without encountering either cinnabar or the expected silica-carbonate rock.

The last area to be drilled was in the vicinity of the America shaft (see Plate 3). Hole #12 was drilled to determine the structure and underground lithology southeast of the America shaft. A large fault zone was penetrated here but no serpentine was encountered (see Section K-L', Plate 3). Hole #13 was to test silica-carbonate rock on both the hanging wall and foot wall of another serpentine sill located east of the America shaft. The hanging wall silica-

carbonate rock gave no trace of cinnabar. The sill proved thicker than was anticipated and drilling difficulties forced abandoning the hole before the foot wall silica-carbonate body was reached. A lack of correlation between the drill core and the reported geology of the immediate surface and the America shaft indicates the possibility of a fault in this area (see Section B-B', Plate 3). Such a fault would probably be the northward extension of the fault penetrated by hole #12.

UNDERGROUND DIAMOND DRILLING

Ten holes were drilled underground to complete the exploration project. Hole #7 tested Structure C, and holes #1 to #6 and #8 to #10 explored Structure D (see report 17, Plate 1, Section A-A'). Two deep holes were originally planned for Structure C, to check contact I and Contact II, but hole #7 was so unsatisfactory that further drilling of this area was discontinued. It was with considerable difficulty that the drillers were persuaded to continue with the hole to the depth attained. Table 2 presents a summary of the results of the underground diamond drilling data.

Most of the underground drilling was accomplished in silica-carbonate rock. This rock cored very nicely except where fracture zones were encountered. Hole #7, however, was drilled originally in serpentine and caving presented a serious problem.

Structure C - Structure C was pictured as a body of Franciscan rock separating the upper and lower silica-carbonate-lined serpentine sills (see Report 17, Plate 1, Section A-A'). These silica-carbonate bodies were thought to be favorable for the location of ore and an attempt was made to cut them where they were assumed to flatten.

Drilling of this area provided data which was not in accord with the expected structure and the certain interpretation of which was not possible from a single drill hole. Only one silica-carbonate body was found instead of Contacts I and II as pictured. As the hole was stopped in this body it is not known for sure to which, if either, serpentine sill it is related. No cinnabar was found in this silica-carbonate body. Since the results of this hole were discouraging from all standpoints it was considered advisable to return to Structure D. Plate 5, Section A-A' is a possible explanation of Structure C (compare with Section A-A', Report 17, Plate 1).

Structure D - Structure D was described as an arch-like silica-carbonate body underlying the serpentine core of Nine Hill (see Report 17). Nine holes were drilled in this area from stations in silica-carbonate rock on the west side of the suggested arch. The drill indicated that such an arch actually was present and trended approximately southwest.

Holes #1, #3, #6, and #8 broke directly into the foot wall Franciscan rocks, while holes #5 and #9 penetrated the overlying serpentine. Hole #2 followed along the contact for the last 234 feet, while hole #4 appears to have done the same though only traces of Franciscan rock were recovered. Hole #10 broke into Franciscan sandstone then back into silica-carbonate rock, and thus is the only hole which appears actually to penetrate the east slope of the arch. The drill holes, which appear to have crossed over the apex of the arch, showed colors of cinnabar in the area of the apex, but the presence of any sizeable orebody was not indicated.

A subsurface contour map approximately outlining the arch, and

sections through all of the holes may be found on PLATE 6.

CONCLUSION

The diamond drilling at New Almaden encountered no orebodies, or even small areas of commercial ore. From the standpoint of structure and localization of colors of cinnabar, Structure D was the most favorable tested. However, the fact that even this structure, tested with 9 drill holes totaling about 2000 feet, yielded no ore, led to the conclusion that further exploration was impractical.

April 15, 1953

mDs

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

Defense Minerals Administration
RECEIVED
OCT 21 1953

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

October 19, 1953

Air Mail

Memorandum

To: Frank E. Johnson, Acting Administrator, DMEA,
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-1165X (Mercury)
Contract No. Idm-E64 (Amended)
New Almaden Mine
Santa Clara County, California

Reference is to your letter dated October 7, 1953, requesting facts concerning the repair work done at the New Almaden Mine under Cordero Mining Company's Exploration Project, and our findings as to the justification for allowing that work under the provisions of the contract.

The matter was taken up by me with Mr. A. C. Johnson and a copy of his memorandum on the subject, dated October 12, 1953, is attached. It is noted in the last paragraph of Johnson's memorandum that he believes the items for rehabilitation of the living quarters should be disallowed.

Field should have done this without checking back

There seems to be no way of checking back at this time and ascertaining if the repair work was necessary for the satisfactory completion of the project. The operator must have been aware that his contract made no allowance for rehabilitation; otherwise he would not have stated that I gave oral permission for him to do such work, which, of course, I did not do. Our files show that the operator did not hesitate in the least to ask for amendments to the contract when changes in drilling operations were desired. So if a storm hit the property as he states and rehabilitation work was necessary, I cannot understand why no request for an amendment was made.

Mr. Williston was familiar with DMEA contracts from personal experience obtained when employed by DMA during its formative period. He must have known that all payments made on a contract were subject to

final audit as is brought out in Article 11 of the contract. Therefore, whether a voucher got by without suspension of an item or not, Mr. Williston should have known that did not mean that I or anyone else approved the expenditure. Furthermore, auditing the records was not possible out here as they were maintained in Philadelphia.

That the buildings were badly damaged by a storm is news to me. Even if a storm did damage the buildings, I fail to see how they could be repaired under a contract that specifically states that no rehabilitation work is necessary, without an amendment to cover such work. Mr. Williston knew that requests for amendments had to come to me in writing. Evidence of that is the several written requests I received from him for amendments to the drilling program.

It seems therefore, regardless of the operator's statements, or whether on account of a storm rehabilitation work was necessary, that the claims should be disallowed for the following reasons:

1. The contract specifically states that no rehabilitation work was necessary.

2. If such work later may have become necessary no written request was made for an amendment to the contract.

3. Payment of the claim does not constitute approval of the claim. Article 11 of the contract points out that payments are subject to final audit.

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

Attachment

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1953

October 12, 1953

Memorandum

To: H. G. Miller, Executive Officer, DMEA Field Team, Region III

From: Chief, Mining Division, Region III

Subject: DMEA-1165X (mercury), New Almaden Mine, Santa Clara County, California - Contract Idm-864 (amended)

Reference is made to Mr. Frank E. Johnson's letter dated October 7, 1953 pertaining to the above contract.

From available cost records, it is impossible to reconcile the amount expended for the rehabilitation of living quarters for personnel employed on this project, and it is not possible to ascertain whether the quantity of repair work actually performed was necessary for the satisfactory completion of the project, and was due to causes not foreseeable at the time the contract was executed.

The operator's narrative report for October 1951 states that "Under the heading REHABILITATION AND PREPARATION has been placed preparation of drill sites, emergency road repair, roof patching on drillers' and employees' house, and water line repairs." This statement indicates that building repair expenditures which were not allowable under the original contract were being made by the operator at that time as well as before, and afterward. However, the exact amounts could not be obtained from operator's reports. Therefore, a sight audit was later requested from this office for this project as numerous other questionable charges had been made.

No additional facts concerning repair work can be obtained from our records.

There are statements in the narrative reports that indicate some repair work was done on the buildings. The Mining Division does not have the invoices for material purchased for the buildings, and at the time it was impossible to segregate costs for repairs and rehabilitation work in connection with the exploratory project.

Insofar as the original contract does not allow for repairs to buildings; and the operator agrees that $463.58 should be disallowed for such items as residential telephone charges, Christmas presents, dinners, etc., we can see no reason why disallowment of other items

that are not stipulated in the contract should not be made; and as building repairs are not stipulated in the contract, it is believed that they should also be disallowed.

A. E. Johnson

FILE COPY
SURNAME:

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

Murphy
Ellis

AIR MAIL

OCT - 7 1953

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

Re: Docket No. DMEA-1165 (Mercury)
Contract No. Idm-E64 (Amended)
New Almaden Mine
Santa Clara County, California

Dear Mr. Miller:

We refer to the correspondence between your office, the Cordero Mining Company, and the DMEA Audit Department, concerning the recovery by the Government of $1,608.48, which was paid the Cordero Mining Company under the captioned contract.

This sum represents 75% of $2,144.64 which was disallowed in the audit made May 7, 1953, by Mr. E. D. Talbert. Of this sum, $463.58 was disallowed on such items as residential telephone charges, Christmas presents, dinners, etc., and $1,681.06 for rehabilitation of living quarters for personnel employed on the project.

Mr. Donald P. Jones, Comptroller of the Cordero Mining Company, in reviewing this audit agrees that the items amounting to $463.58 should be disallowed, however, he states that the $1,681.06 spent for rehabilitation is proper and should be allowed, as this work was necessary for the continuance of work on the project.

At the bottom of page 3 in Exhibit "A", of the original contract, it states that "it will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work". The Operator informed us that at the time the contract was signed, the living quarters were in good condition, however, shortly after starting work on the project these quarters were badly damaged by a storm. After the storm, necessary repair work had to be done to make these quarters livable. We were also informed that as work progressed it was found necessary to perform other repair work on these dwellings, such as plumbing, laying new floors, and some concrete work. Apparently, this work was necessary as otherwise it would have been difficult to keep experienced workers on the job. The cost of this work was then charged to the project and certified by the Regional Finance Officer.

R.C.G.
10-7-53

The Operator now states that if these costs were not proper, they should have been disallowed at the time, or if they were proper an amendment to the contract should have been made to cover the cost of the repair work if such an amendment was required. We concur with this statement.

However, in reviewing the MF-104 forms submitted during this contract, we find that most of the rehabilitation costs were included with other costs on the old form MF-104 (August 1951), which did not require a breakdown of individual items as does the present MF-104 (Revised April 1952) and thus the cost of repair work done on living quarters could easily be confused, by the Certifying Officer, with other rehabilitation work which was scheduled under this contract.

In any case, the subject repair costs were certified by the Government and paid. The Operator, being unaware that monthly payments of the Government's share of project costs are provisional and subject to correction by the Audit Department, having once had these costs certified would naturally believe they had been approved and therefore in his mind there was no question of an amendment being necessary. As a result, possibly no thought was given by either party concerning an amendment to the contract which would provide for the payment of these costs.

Although the subject work was completed early in the contract, it may be possible for you to check back and ascertain if this repair work was necessary for the satisfactory completion of the project, and was due to causes not foreseeable at the time the contract was executed. If this is the case, it may be possible to clarify this matter by an administrative decision, as the lack of an amendment or a disallowance at the time this work was done, can possibly be attributed to an oversight by both the Government and the Operator.

Will you kindly forward (via airmail), the facts concerning the repair work and your findings on this subject as soon as possible in order that we may arrive at a satisfactory conclusion in this matter.

Sincerely yours,

FRANK E. JOHNSON

Acting Administrator

FMMurphy/db
10-6-53
cc to: Adm. Reading File
Docket
Messrs: H.M.Meyer, Rm. 3623
A.R.Kinkel, Rm. B-242A, OSA
Ellis
Murphy

J. N. PEW, JR.
PRESIDENT

S. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY
131 UNIVERSITY AVENUE
PALO ALTO, CALIFORNIA

April 15, 1953

FINAL STATEMENT OF OPERATIONS AT

NEW ALMADEN MINE

ALMADEN, CALIFORNIA

1165

This is a statement of operations and is part of the final report on the Defense Minerals Exploration Administration project at Almaden, California.

In August 1951 Cordero Mining Company started work at the New Almaden Mine with a Defense Minerals Exploration Administration project. The object of the project was to explore the diamond drilling program recommended by the United States Geological Survey which was then on open file and was later set up in more detail in, "Special Report #17. Suggestions for Exploration at New Almaden, California". This report was written by Dr. Edgar H. Bailey of the United States Geological Survey and printed by the California Division of Mines.

We, of Cordero Mining Company, did not feel it within our province to try to re-do this geology. Not only was there no time for this, but nearly all of the underground, which had been examined by the Survey geologists, was then inaccessible.

The program called for diamond drilling to be done both from the surface and from certain underground locations. Little or no preparation had to be made to reach the surface locations. But, to get underground it was necessary to open a long adit, know as the Day Tunnel. This tunnel had been opened and used during World War II, but by 1951 the portal, and an unknown amount of the rest of it, had caved. Information about its condition was very meager. Individuals who had worked at and around the mine were questioned. Various estimates about the amount of tunnel which would be down were made and the operators doubled what seemed to be a logical guess and decided to base estimates on completely reclaiming 600 feet. Eventually it turned out over 1500 feet of tunnel had to be retimbered. Nearly all of this required spiling and some spiling and breastboarding.

The opening of the tunnel was slow hard work and, if it had not been done properly, could have been very dangerous work. The men and working supervisor, who had opened the tunnel in 1940 and 1941, were brought on this job. They were good, experienced workmen and it is doubtful if a better crew could have been found for this job in California. One of these men was our superintendent for all California operations and another was a foreman from Quien Sabe Mine, Hollister. Both of them have had a great deal of experience with bad ground. With these two men were three well qualified, experienced miners, a type very difficult to find since the war.

The men were divided into two crews of two miners each. One man on each crew would work at the face, removing old timber and muck. He would drive spiling and stand new timber. The other man would muck and tram away the debris. The tram became over a half mile in length before the tunnel was completely reopened. The men took turns with these jobs, while the superintendent stayed with the men at the face, directing and assisting with every detail of work. This he did for both shifts, working over 16 hours a day during most of the time. He was very careful to be at the face whenever the ground was bad. The ground was constantly moving during the opening phase and continued to move and crush timber after the tunnel was opened. At times an observer could hear rocks falling and other earth movements far above the tunnel in ground which must have contained large open cavities. The cost of this part of the program far exceeded our estimates. Had we known the amount of tunnel to be reclaimed and the cost of the job, we would never have undertaken this project.

A progress report and a summary of the difficulties were furnished (original and four copies, as requested) the Reno office of the Bureau of Mines. Approval of our progress must have been given by all agencies concerned since we received a check for the Government participation each month.

At one time, when the work was progressing slowly, with the future amount of caved tunnel unknown, and surface drilling disappointing, the Company officials seriously considered abandoning the project as being too costly and chances of finding ore too remote. They decided to continue, however, since the United States Geological Survey seemed eager to do the underground drilling and the United States Bureau of Mines seemed satisfied with the rate of progress. No criticism or suggestions were received by the Company from any branch of the Bureau. The only suggestion made was that the entire area around the tunnel should be grouted and the tunnel driven through this grouted zone. This would have been a very costly job. There were crevices, openings and voids around the old tunnel which would have required enormous quantities of grout. In one place at least, old records indicated caving above tunnel to be 7 sets high. Equipment for this job would have been equally expensive. A rough estimate on the costs indicated that a grouting job for the entire tunnel would have cost at least $25,000. Also, it was hoped that each set recovered would be the last, and that the balance of the tunnel would be open.

During the first eleven months the surface diamond drilling was finished. This was done under contract by Boyles Bros. Drilling Company of Salt Lake City, Utah. Details of the drilling, with geological logs, have been submitted as the program progressed. The surface drilling was very discouraging. Not only was no cinnabar found but the geology disclosed was not too encouraging.

After thirteen months the tunnel was opened enough to allow underground drilling to start but after drilling was started in one area another portion of the drift had to be opened through the caved area around the Santa Rita shaft and a drilling station cut. Here a single drill hole was put down with the greatest amount of difficulty. The information obtained was very discouraging and the drilling was moved back to the original underground location in the Day

Tunnel.

After the tunnel was opened it was necessary to keep two experienced miners on the job continuously, repairing and replacing timber in the first 1500 feet of tunnel. One man cannot do this work alone and it is against California law for one man to work alone unless he is within calling distance of another workman. The diamond drillers were completely inexperienced as miners. They were unable to tell safe ground from unsafe ground and to them the entire tunnel, which was rocking and creaking continuously, was a very unhealthy place through which to work. One driller, at least, left because he thoughtit was too dangerous. We are quite certain that the rest of the drill crew would have quit had we not kept the miners continously on the job, repairing and replacing broken timber.

The Day Tunnel was the only exit and a cavein would probably have caused death to anyone inside the mine at the time. The Company geologist pointed out this danger and suggested that even with the mine crew there, another exit should be opened. This would have been too expensive for this project.

Upon completion of the underground drilling the project was terminated. The equipment and supplies, which had been purchased for this project by DMEA funds, were sold. Most of the mining equipment and part of the supplies had been furnished free of charge by the operating Company.

At the request of the Bureau of Mines a report on the entire program was compiled by the Cordero Mining Company. This includes both an Engineering and Geological Report, under separate cover, and a General Cost Report.

J. Eldon Gilbert

J. Eldon Gilbert, Manager

April 15, 1953

STATEMENT OF DRILLING
COSTS
BOYLES BROTHERS DRILLING CO.
SALT LAKE CITY, UTAH.

ALMADEN, CALIF. - DMEA 1165X Idm-E-64.

Invoice Date	Hole No.	Footage	Cost per Foot	Drilling Cost	Extras	Total Hole Cost	Location
9-30-51	1	268'	$ 5.80	$1554.40	$ 64.00		Surface
11-6-51	1	125'	5.80	725.00	201.00		"
Total		393'		2279.40	265.00	$2544.40	"
11-25-51	2	573'	5.80	3323.40	186.96	3510.36	"
12-14-51	2	2'	5.80	11.60	1.56	13.16	"
Total		575'		3335.00	188.52	3523.52	Surface
11-25-51	3	264'	5.80	1531.20	86.15	1617.35	"
12-14-51	3	70'	5.80	406.00	54.74	460.74	"
Total		334'		1937.20	140.89	2078.09	Surface
12-21-51	4	312'	5.80	1809.60	-	1809.60	Surface
1-5--52	5	312'	5.80	1809.60	201.00	2010.60	Surface
1-15-52	6	217'	5.80	1258.60	42.00	1300.60	Surface
2-11-52	7	283'	5.80	1641.40	132.45	1773.85	Surface
2-27-52	8	380'	5.80	2204.00	34.00	2238.00	Surface
3-13-52	9	217'	5.80	1258.60	166.00	1424.60	Surface
3-28-52	10	381'	5.80	2209.80		2209.80	Surface
4-14-52	11	396'	5.80	2296.80	53.50	2350.30	Surface
5-12-52	12	600'	5.80	3480.00			
"	12	100'	6.80	680.00			
"	12	100'	7.80	780.00			
"	12	3'	8.80	26.40	218.00		
Total		803'		4966.40	218.00	5184.40	Surface
6-23-52	13	478'	5.80	2772.40		2772.40	Surface
10-31-52	1	114'	5.10	581.40	45.00	626.40	Undergr'd
"	2	389'	5.10	1983.90	322.50	2306.40	"
Invoice Total				2565.30	367.50	2932.80	
11-29-52	3	24'	5.10	122.40	16.23	138.63	Undergr'd
"	4	101'	5.10	515.10	68.31	583.41	"
"	5	272'	5.10	1387.20	183.96	1571.16	"
"	6	224'	5.10	1142.40	151.50	1293.90	"
Invoice Total				3167.10	420.00	3587.10	
1-1-53	7	288'	5.10	1468.80	890.00	2358.80	Undergr'd
2-1-53	8	393'	5.10	2004.30	830.50	2834.80	"
Total		681'		3473.10	1720.50	5193.60	Undergr'd

STATEMENT OF DRILLING COSTS (CONT'D)

Invoice Date	Hole No.	Footage	Cost Per Foot	Drilling Cost	Extras	Total Hole Cost	Location
3-1-53	8	62'	$ 5.10	316.20	13.40	329.60	Undergr'd
"	9	500'	5.10	2550.00	108.04	2658.04	"
3-1-53	10	271'	5.10	1382.10	58.56	1440.66	"
3-3-53	10	42'	5.10	214.20		214.20	"
		313'		1596.30	58.56	1654.86	"
Total		7761'		$ 43446.80	$ 4129.36	$ 47576.16	

STATEMENT OF COSTS
ALMADEN, CALIFORNIA

DMEA 1165X Contract No. Idm-E-64

TECHNICAL SERVICES:

Date	Amount
8-15-51 to 9-30-51	$ 155.52
10-10-51	10.87
10-11-51	181.15
12-21-51	65.67
1-7-52	371.15
4-15-52	381.64
4-28-52	57.78
8-31-52	168.27
9-30-52	96.15
10-31-52	18.89
10-31-52	325.00
10-31-52	72.12
11-30-52	325.00
12-31-52	325.00
1-31-53	325.00
2-28-53	325.00
3-31-53	200.00
Total	$ 3404.21

OTHER:

Date	Coppernate	Compressor Fuel & Oil	Misc.	Total
8-23-51	$ 103.91			
10-31-51	264.76			
11-21-51		$ 110.61		
12-11-51		101.90		
2-19-52		148.87		
3-25-52		155.86		
3-17-52		110.61		
4-23-52	155.86			
4-21-52		154.48		
5-21-52		149.10		
6-13-52	110.61			
7-11-52		149.10		
8-8-52		154.42		
9-30-52		149.10		
10-20-52		149.10		
11-25-52		187.58		
11-10-52		110.61		
1-9-53		110.61		
2-3-53		149.10		
	$ 635.14	$ 2091.05	$ 3412.14	$ 6138.33

STATE OF CALIFORNIA
EARL WARREN, Governor
DEPARTMENT OF NATURAL RESOURCES
WARREN T. HANNUM, Director

DIVISION OF MINES
FERRY BUILDING, SAN FRANCISCO 11
OLAF P. JENKINS, Chief

SAN FRANCISCO | SPECIAL REPORT 17 | FEBRUARY 1952

SUGGESTIONS FOR EXPLORATION AT NEW ALMADEN QUICKSILVER MINE, CALIFORNIA

By EDGAR H. BAILEY
Prepared in cooperation with the
United States Geological Survey

SUGGESTIONS FOR EXPLORATION AT NEW ALMADEN QUICKSILVER MINE, CALIFORNIA *

By Edgar H. Bailey **

OUTLINE OF REPORT

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Abstract	3
Introduction	3
Geology	3
Structures suggested for exploration	4

Illustrations

Plate 1. Map and cross-section of part of the New Almaden mine area, Santa Clara County, California, showing structures for suggested exploration	2–3

Abstract

The geologic investigation of the New Almaden quicksilver mine in Santa Clara County, California, resulted in the location of several areas believed to be favorable for the discovery of new ore bodies. Because ore bodies are found in silica-carbonate rock along the margins of serpentine sills intrusive in Upper Jurassic (?) rocks of the Franciscan group, the search for ore should be guided by a knowledge of the form of the serpentine bodies. Two potential ore structures were discovered by contouring the surface of the principal serpentine mass. The mass is now believed to consist of two main sills joined in the central area; if this is so, other contact areas that may contain ore bodies remain little explored.

Introduction

The New Almaden mine, about 10 miles south of San Jose, California, has yielded more than a third of the quicksilver produced in the United States. Between 1941 and 1948 the U. S. Geological Survey made a detailed study of the entire New Almaden district in an effort to determine the relation of the quicksilver ore to the geological structure, and to discover guides that might aid in future exploration and development work. A comprehensive report on the results of this study is in preparation (1951), but this preliminary report has been prepared to describe some of the more easily tested places that are believed to be favorable for the discovery of new ore bodies. It is not exhaustive, and does not pretend to be an evaluation of the possibilities of the entire district, which also contains other notable quicksilver mines.

The price of quicksilver fluctuates with greater rapidity than the price of any other of the useful metals. During World War II it was at a high level, and about 200 quicksilver mines in the United States were in production. After the war period it declined to a value that was probably lower than at any time in the last 100 years, if the changing value of the dollar is taken into account, and as a result all but one of the major domestic mines were shut down. In mid-1950 the price again rose to a level a little higher than prevailed during World War II. With this price, the quicksilver mining industry has undergone somewhat of a revival. Nevertheless, because of the uncertainty of a high price continuing beyond the period of time necessary to carry out major exploration, development, and the construction of a plant to furnace ore on a large scale, much of the current activity is confined to small groups of men seeking small supplies of rich ore to treat in retorts. Unfortunately, such operations yield only a small percentage of the quicksilver needed by our highly industrial nation, and do not result in the development of a self-sustaining domestic quicksilver industry. The search for large new ore bodies in the old quicksilver mines in California in general will require extensive exploration programs, such as can be carried out only by well-financed mining companies. This report calls to attention certain structures that seem to be unusually promising for exploration in the oldest and largest of the California quicksilver mines. Although the abnormally high prices make exploration particularly timely, nevertheless it is quite possible that the proposed exploration might discover ore bodies of sufficient size and grade to be economic even if the price of quicksilver again falls to a low level.

The ore bodies mined at New Almaden were among the largest found in any domestic quicksilver mine, and the structures recommended for further exploration are extensive enough to contain ore bodies comparable to those previously mined. The average quicksilver content of the ore furnaced at New Almaden from the time of its discovery until 1900 was about 4 percent; and the relatively small amounts of lower-grade ore taken from underground workings in the early 1900's, although not so accurately recorded, would not reduce this average very much. During World War II, however, when quicksilver prices were high, it was possible to mine profitably from open cuts ores containing as little as 3 pounds of quicksilver to the ton.

The New Almaden mine area has been explored by about 35 miles of underground workings, some of them near the surface and some extending to a depth of about 2,400 feet below the top of Mine Hill, or about 700 feet below sea level. The recent geologic study indicates, however, that there are still a few blocks of unexplored yet easily tested ground that are geologically favorable for the discovery of ore bodies. They remained unexplored during the development of the mine, between 1850 and 1900, largely because the geologic environment of the known ore bodies had not been adequately studied and understood.

Geology

The oldest rocks of the New Almaden mine area are a part of the heterogeneous Franciscan group of Upper Jurassic (?) age. These rocks are folded, and are intruded by sills of serpentine, the margins of which are altered to a quartz-magnesite rock called silica-carbonate rock. Ore bodies are found in this silica-carbonate rock, close to the original intrusive contacts of the sills. Most of the ore bodies that have been mined extended along the upper sides of sills, close beneath a capping of sheared shale called "alta"; but others, not quite so large but equally rich, extended along the under sides of sills and above alta. Where the contacts are relatively flat the ore bodies are in the crests of domes or arches. Where the contacts are steeper the ore bodies are in places where steep northeast-trending veins of quartz and carbonate are particularly abundant. In both situations the cinnabar replaced the silica-carbonate rock along the vein fractures, but the veins themselves are for the most part virtually barren.

As the ore occurs along the altered margins of the serpentine, the search for additional ore should be guided by knowledge of the form of the serpentine bodies. The principal serpentine mass is exposed at the surface in the central part of Mine Hill, and in the past it has been interpreted as having the form of a cedar tree that expanded irregularly downward, being steep but jagged along its south flank and rather smooth and gently inclined on the

* Publication authorized by the Director, U. S. Geological Survey. Manuscript submitted for publication November, 1951.
** Geologist, U. S. Geological Survey.

north and east. Most of the ore bodies were found as the result of exploration along the margin of this body, and contouring of its surface indicates that at least two structures that might contain ore remain unexplored. These (structures A and B of plate 1) can be probed by drilling near-vertical holes from the surface to depths of 250 to 600 feet.

Other potential ore-bearing areas are suggested by a reinterpretation of the shape of the intrusive mass of serpentine. This is now believed to consist chiefly of two main sills that are joined in the central area near the surface of Mine Hill. In this block, where the early workings of the mine were run, the serpentine has the appearance of a single intrusive mass, and, in spite of later development revealing its twofold character, the original concept of a single body was closely followed in the search for ore. The new interpretation, involving two sills, introduces three additional extensive, but little-explored, contact areas that can be expected to contain ore bodies in favorable parts. Structures along two of these (structures C and D of plate 1) appear especially promising and can be reached by drilling holes from the 800-level Day tunnel. To reach the suggested drill stations, however, will require reopening the Day tunnel, which is now caved at the portal and is also caved tight in at least two other places farther in.

Structures Suggested for Exploration

Structure A. Structure A is an arch in the upper margin of a serpentine sill, at an altitude ranging from 1,000 to 1,150 feet above sea level, under and east of the camp area (see plate 1). The upper part of the sill has been explored to the south by the Harry workings and to the west and northwest by the Velasco and North Randol workings. A projection of the contact as explored in these workings indicates that between them there is a northwest-trending arch, with its apex a little east of the main camp area (see plate 1). Similar structures in other parts of the mine have contained ore bodies. That ore-forming solutions have penetrated the area is indicated by the following facts: (1) A small amount of cinnabar occurs in a dolomite vein at the base of the Camp shaft, although most similar veins in the mine are barren. (2) The company surveyors reported finding cinnabar and low-grade ore in the northern part of the Harry 800 level. (3) A little cinnabar occurs in chert at the apex of Church Hill, several hundred feet east of the crest of the arch.

The structure could most easily be explored by a series of nearly vertical holes, from 250 to 600 feet deep, put down from the surface between the camp and the crest of Church Hill.

Structure B. Structure B is also an arch in the upper surface of a serpentine intrusive, at altitudes between 1,100 and 1,350 feet, beneath the saddle northwest of Cemetery Hill (see plate 1). The serpentine surface has been extensively explored to the north and east by the Harry-Cora Blanca workings and to the northwest by the San Francisco workings. Although the margin of the serpentine is not altered to silica-carbonate rock in outcrops between these two groups of workings, all of the nearest underground workings are in silica-carbonate rock, which contains small, local ore bodies. The shape of the surface of the serpentine between these two places cannot be accurately predicted from the available data, but, as is shown by the structure contours in plate 1, the intrusive surface is believed to contain a structural nose plunging to the southeast. As similar structures localized ore bodies elsewhere in the mine, this structure seems worth exploring. It can be tested most easily by drilling nearly vertical holes from the surface to depths of 200 to 400 feet.

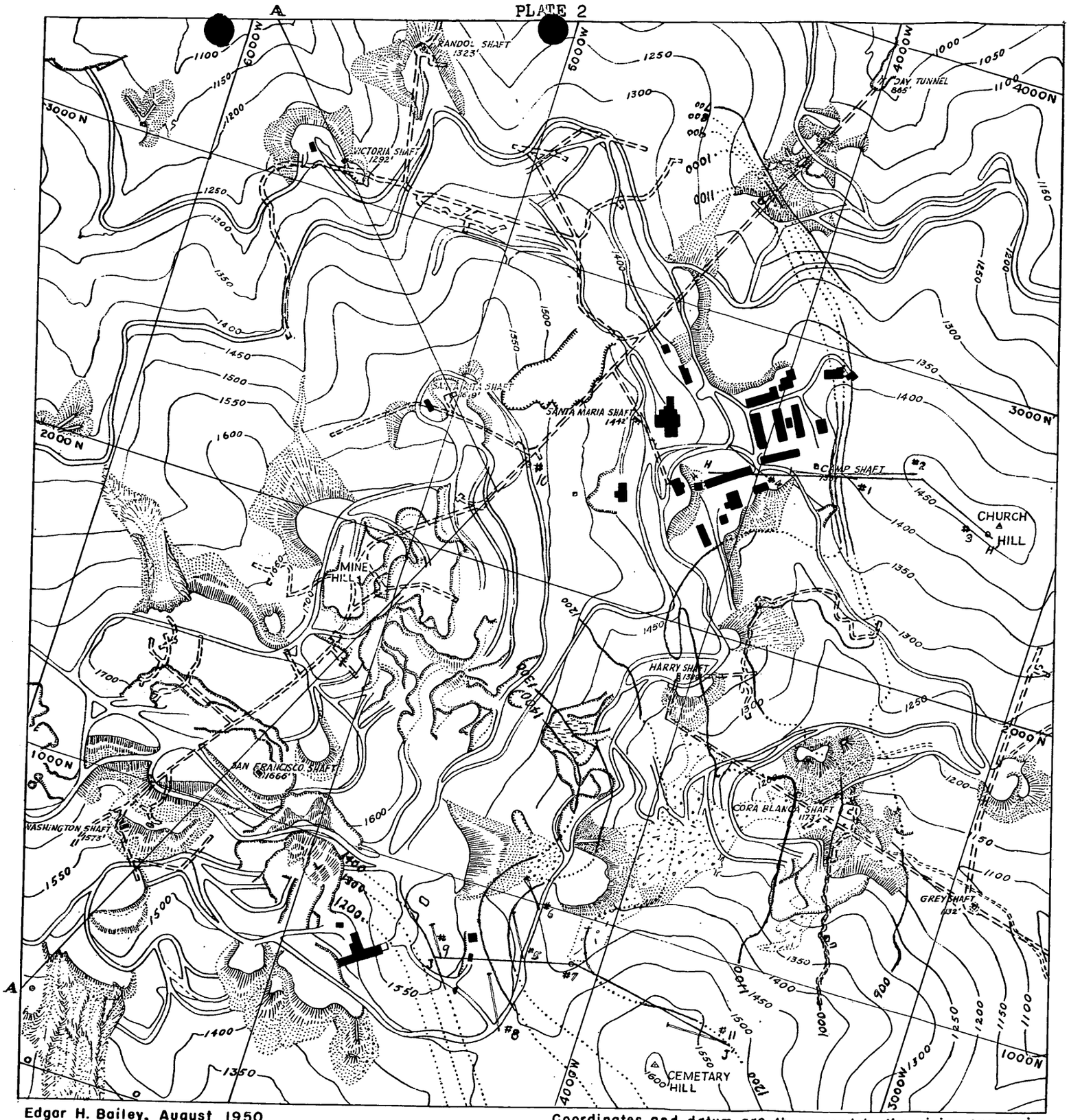
Structure C. Structure C, as shown on plate 1, is a postulated arch northwest of the Santa Rita shaft and from 200 to 600 feet below the 800-level Day tunnel. Exploration at this place is proposed to test the silica-carbonate rock along the two contacts labeled I and II in plate 1. Contact I is at the bottom of the upper sill, and contact II at the top of the lower. Along each of these contacts some ore has been found at and above the Day tunnel level, but neither has been much explored at lower levels. A part of contact I exposed in a drift extending eastward from the bottom of the Santa Rita shaft on the 900 level contains silica-carbonate rock but no ore, although the drift was run to search for the downward continuation of ore found on the level above. On the 1400 level this contact is cut 800 feet west of the section, and near the 1800 level of the Santa Rita shaft it is cut 450 feet east of the section. Although no silica-carbonate rock was found in either of these last two places, silica-carbonate rock containing ore bodies might be found in the unexplored ground between the 900 and 1400 levels. If the lower surface of the upper sill is roughly parallel to its upper surface, it is arched between the 1000 and 1200 levels. This structure could easily be explored by drilling holes bearing N. 15°—35° W. from the Day tunnel near its intersection with the Santa Rita shaft. As the position of the arch is uncertain, the inclination of exploratory holes should be governed by what is found in the first hole, which should be inclined downward not less than 35°.

Structure D. Structure D is a postulated broad arch in the lower contact of a serpentine sill (contact III, plate 1) in the central part of the mine, a short distance below the Day tunnel. The contact has not been reached at any point near the line of section, but its position and attitude are inferred from the arch of silica-carbonate rock that is penetrated for more than 600 feet by the Day tunnel. Elsewhere in the New Almaden district silica-carbonate rock is found only along the margins of serpentine sills, and as this silica-carbonate rock is overlain by serpentine it presumably is on the lower side of the serpentine body and is underlain by rocks of the Franciscan group. Exploration on the 900, 1000, and 1100 levels a little farther to the south revealed Franciscan rocks beneath the contact (see plate 1).

The favorable part of the structure involving this contact is the crest of a dome that is inferred to lie east of the old mule barn cutout in the Day tunnel. Indications of the probable existence of ore in this part of the mine are: (1) the Day tunnel follows several northeast-trending veins similar to those that generally accompany ore bodies; (2) the highly altered silica-carbonate rock is similar to the rock found along the margins of the stoped-out ore bodies; and (3) when the Day tunnel was driven, cinnabar fines were seen in a spring near the mule barn. A raise that was put up here in search of ore penetrated barren serpentine, but no winze was ever put down to the contact below. The best way to explore this structure is to drill several holes downward and eastward from a point near the mule barn. Any ore that is found can readily be taken out through the Day tunnel.

53743 11-51 2M O printed in CALIFORNIA STATE PRINTING OFFICE

PLATE 2



EXPLANATION

Roads

Underground workings on the 200 level.

Contours on the upper surface of the upper serpentine sill. Solid where known; dotted where projected.

Diamond drill-holes

N

Edgar H. Bailey, August 1950
Revisions and additions
by Donald L. Curry

Coordinates and datum are those used by the mining companies

0 500 1000 FEET

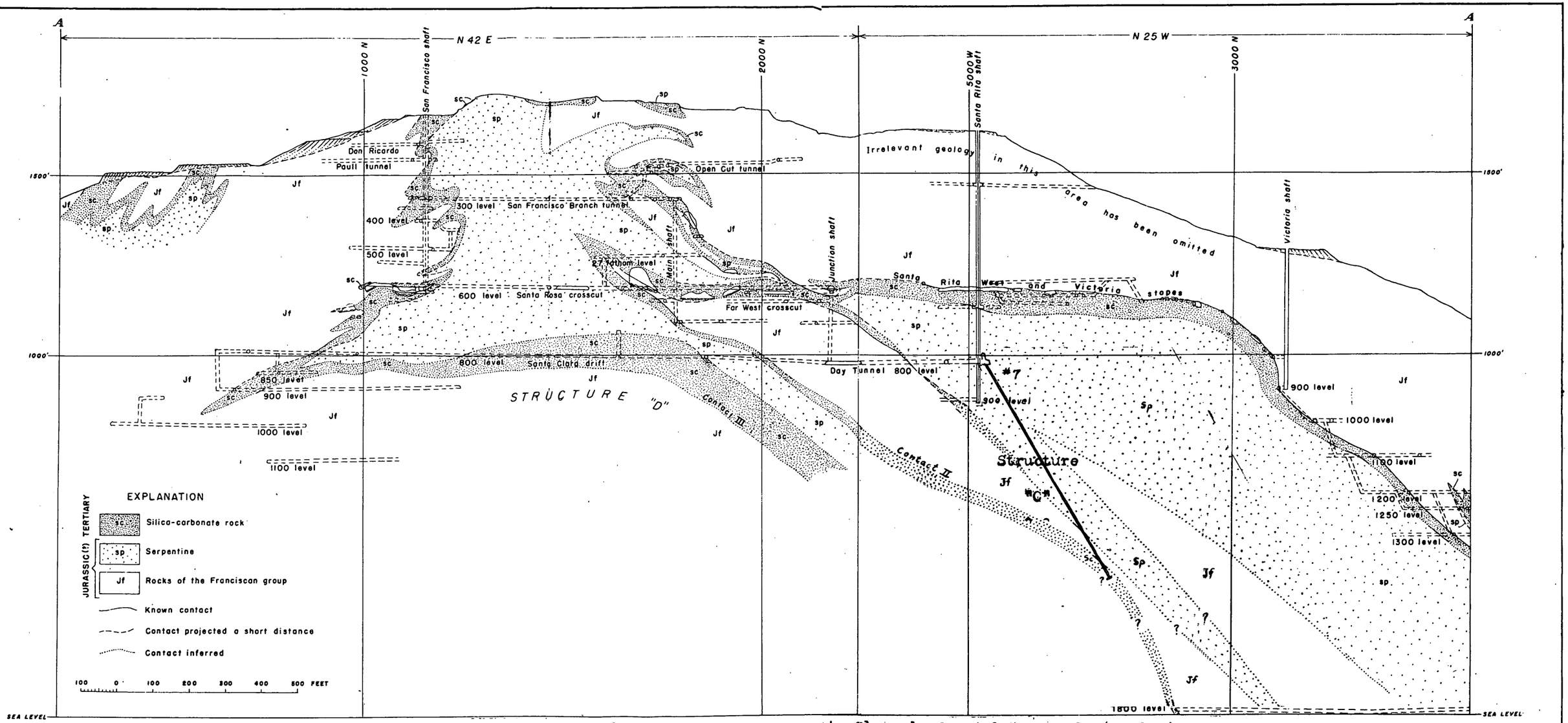
Contour interval 50 feet

PLATE 2

~~**Figure 1.**~~ **TOPOGRAPHIC MAP OF A PART OF THE NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA**
SHOWING DIAMOND DRILL-HOLES 1 to 11(surface) & CONTOURS ON THE UPPER SERPENTINE SILL

Revised Section A-A'
Showing Diamond Drill-Hole # 7

PLATE 5



See Plate 2

Compare with Section A-A', Plate 1, Special Report 17 (Bailey)

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

October 6, 1953

Cordero Mining Company
1600 Walnut Street
Philadelphia 3, Pennsylvania

Attention: Mr. S. H. Williston

Dear Mr. Williston:

Reference is made to your letter dated September 30, 1953, addressed to Mr. Felix Wormser, Assistant Secretary, relative to DMEA Project 1165X-Contract Idm-E-64-Almaden.

The DMEA staff is making a complete review of this contract, inasmuch as it appears from your letter that certain items of "rehabilitation" were the proper subject for treatment under the contract. Upon completion of this re-examination you will be advised directly by the DMEA office. You may expect a reply within a few days.

Sincerely yours,

(Sgd.) John G. Liebert
Special Assistant

J. G. Liebert/GMcC

cc: Secretary's Reading File
Mr. John G. Liebert
Mr. C. O. Mittendorf -- Room 4624

No incent to
provide housing —
std wages — close
prox to towns —

GAO gets in
wound duddow
work —

#109 358. Stage I
est 101

COPY

CORDERO MINING COMPANY
131 University Avenue
Palo Alto, California

1600 Walnut Street
Phila. 3, Pa.

September 30, 1953

Mr. Felix Wormser
Assistant Secretary of the Interior
Interior Building
Washington, D. C.

Dear Felix:

Continuing our conversation at Seattle regarding the D.M.E.A. Project 1165X - Contract Idm-E-64 - Almaden, the following brief resume covers the problem.

This exploration project was to test published recommendations of the U.S.G.S. based on 25 man years of geological work. The project was fully completed and no indications of commercial ore found.

The original estimates were within about 10% of final expenditures although three times as much footage of tunnel re-opening was required over original estimates.

At the present time the government is taking the position that it should disallow some $1600 of the expenditures on the basis that these were "rehabilitation" and that no rehabilitation was included in the original estimates. When the drilling crew and mine crew occupied the houses they found that some of the roofs leaked and required repair. These amounts were set out in the statements for the first few months of the project and no objection whatever was raised to them either by the D.M.E.A. engineers, accountants or the D.M.E.A. area representative, Mr. Miller.

This project was the first important project handled by the San Francisco section of D.M.E.A. and naturally they were not familiar with the financial procedures. Therefore, for the first six months of the project all monthly returns were submitted to them in pencil for approval as to amounts, validity and form before submission of formal reports. Questions were raised as to rates of pay, amounts of supervision, etc. and amendments were made to cover such discrepancies. At no time was the question of these so-called "rehabilitation" items brought up. We were led to believe that everything was in perfect order.

There is no question but what these items were reasonable and necessary and if the government had raised the question at the the time of the expenditure, there is no reasonable doubt but what proper provision would have been made to cover these items. The power to make such an amendment was in the hands of Mr. Miller under whose immediate direction these items were approved.

No question was raised by the western auditor who went over the statements and accounts at our Palo Alto office, only 15 miles from the project. The matter was raised by a Washington auditor not familiar with mining problems.

When it became apparent that the job was going to be much tougher than origianlly contemplated, Cordero Mining Company leaned over backwards to keep the cost of the exploration down. We provided trucks, tractors, compressors, miscellaneous equipment and rail without any charge for depreciation, rental, or wear and tear. We are then faced by this demand from the government which, if encountered in an ordinary business arrangement between two mining companies, could hardly be called anything other than "sharp practice". There was no question but what the government had ample opportunity and full knowledge of these expenditures at the time they were made. There is no question but that the person who approved them had the right at that time to amend the contract to provide for these reasonable and necessary expenditures.

The amount involved is of relatively little importance either way and I am quite willing to leave the matter in your hands for final decision, but, regardless of the outcome, I think you should insist to the officials and the field staff of D.M.E.A. that no possible duplication of this sort of procedure should ever come up again.

Very truly yours

(Signed) S. H. Williston

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

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 26 1953

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

August 21, 1953

Mr. Donald P. Jones, Comptroller
Cordero Mining Company
1600 Walnut Street
Philadelphia, Pennsylvania

Re: Docket DMEA-1165 (Mercury)
New Almaden Mine
Santa Clara County, Calif.
Contract Idm-864 (Amended)

Dear Mr. Jones:

This will acknowledge your letter dated August 14, replying to my letter to you dated August 10. Your request that I review your earlier letter and provide you with further comments is noted.

There is little in that letter on which I can comment, as the audit as made is final insofar as this office is concerned. I do, however, strongly protest the statement that rehabilitation was discussed with me and that verbal approval was given by me to incur such expenditures and charge them to the contract. I am certain also that Mr. Norvell, who is no longer with us, did not give such approval. I am sure that a man holding the position you do as comptroller of a large corporation must know that we, and Government auditors as well, must be guided by the written contract. Your contract states specifically at the bottom of page 3 of Exhibit "A" that "it will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work."

The fact that monthly vouchers including expenses incurred for rehabilitation were passed by me did not mean that I concurred that the expenditures were proper and should be allowed. We depended in large measure on the final audit of the account to catch any errors and omissions in the monthly vouchers. Actually, the error we made in connection with your contract is that we did not hold up your last voucher as we had been instructed to do on all contracts. Had that been done, we would have settled with you on the basis of the auditor's report and would not be requesting a remittance from you at this time.

Whether Mr. Talbert had, or did not have, knowledge of prior verbal approval of any changes is not an issue as he, as well as we, must abide by the written contract. There is nothing else that we can do.

We expect, therefore, immediate payment from you in the amount of $1,608.48 covering over-payment of your contract.

Sincerely yours,

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

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
Finance

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 14 1953

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

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

August 10, 1953

Cordero Mining Company
1600 Walnut Street
Philadelphia, Pennsylvania

Re: Docket DMEA-1165 (Mercury)
New Almaden Mine
Santa Clara County, Calif.
Contract Idm-E64 (Amended)

Gentlemen:

Reference is made to my letter dated May 15, 1953, with which there was sent you a Bill of Collection dated May 15, 1953, in amount of $1,608.48 covering overpayment of Contract Idm-E64, Docket DMEA 1165X, as of March 31, 1953.

To date the requested remittance has not been received. This letter is a reminder that said payment is due and a check covering the stated amount will be appreciated.

Sincerely yours,

H. C. MILLER

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

Copy to: D.M., Washington, D. C.
[illegible] Bailey, Data
Finance (2)

FILE COPY
SURNAME: 800

Chamber

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

JUN 11 1953

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

Re: Cardamo Mining Company
Docket DMEA-1165 (Mercury)
Contract No. Ida-E64

Dear Mr. Miller:

This refers to your letter of June 3, 1953, in regard to the above-cited contract.

I was glad to get your letter and to learn that you are in agreement with Mr. Talbert who audited the project account. In regard to Mr. Donald P. Jones' letter, he, above all others should know the significance of a written contract and as a Comptroller of a large corporation, he should also know that auditors must be guided by the written contract, rather than any oral understanding which may be presented.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

J.N.
6-11-53

JLChambers/wb
June 3, 1953

Copy to: Docket
Mr. Chambers
Admr. Reading File

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

Office of
DMEA Field Team
Region III

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

June 3, 1953

Memorandum

To: Jay L. Chambers, Auditor, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1165 (Mercury)
New Almaden Mine, Santa Clara County, California
Contract Idm-E64 (Amended)

There are attached herewith two copies of a letter dated May 20, 1953, from Mr. Donald P. Jones, Comptroller, Sun Oil Company, Philadelphia, Pennsylvania, addressed to me, concerning the audit of the Cordero Mining Company's books made by Mr. E. D. Talbert, DMEA Auditor, dated May 11, 1953.

You will note that Mr. Jones protests the disallowance of items totaling $1,681.06. In supporting his protest Mr. Jones wrote that though the protested rehabilitation was not specifically set forth in the contract, "it was discussed with you (me) prior to the incurring of the expenditures and received the verbal approval both of yourself (me) and Mr. Norvell."

I have no record or recollection of ever having approved anything of that nature, and I am sure Mr. Norvell did not give any approval either, because he had no such authority.

The fact, that MF-104 vouchers were approved for payment as they were submitted does not indicate our concurrence that the expenditures were proper, as is brought up by Mr. Jones, and certainly should not have the same force as a written amendment to the contract. Our instructions were not to delay payment of the monthly vouchers and to depend upon the final audit to make needed disallowances.

The contract did not allow cost for repair and rehabilitation of living quarters for the company's and sub-contractor's employees. In fact, the contract specifically provides that "it will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work."

It seems, therefore, regardless whether it was found necessary to repair and rehabilitate some of the living quarters, that the entire amount should be disallowed.

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

Attachment

Copy to: Finance Officer, Region III
E. H. Bailey, USGS

COPY

J. N. PEW, JR.
PRESIDENT

S. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY
131 University Avenue
Palo Alto, California

May 20, 1953

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

Dear Mr. Miller:

This will acknowledge receipt of your letter dated May 15, attached to which was a bill for collection of $1,608.48 representing 75% of items disallowed with respect to Contract Idm-E64, Docket DMEA 1165X, as of March 31, 1953. We have gone over the report of your auditor very carefully and we agree with his findings in the following respects:

Disallowance at the top of page four		$123.62
Disallowance shown on page five		55.59
Disallowance shown on page eight		
Truck Insurance	$153.36	
Truck Registration Fees	117.00	270.36
Disallowance shown on page nine		
Superintendent	14.01	14.01
		$463.58

All of the other items which have been disallowed by your auditor are in connection with necessary rehabilitation which was required to make livable the quarters for personnel carrying on this project. It is my understanding that while this rehabilitation was not specifically set forth in the contract, it was discussed with you prior to the incurring of the expenditures and received the verbal approval both of yourself and Mr. Norvell. Further, since you had the authority to amend the contract and since you had knowledge of these additional expenditures, it would appear that your approval of the payments at the time could properly be considered as indicating your concurrence that these expenditures were proper and should have the same force as a written amendment to the contract. It is our understanding that the disallowance of these items totaling $1,681.06 by your auditor Mr. E. D. Talbert was made only because Mr. Talbert had no knowledge of your prior approval of these charges.

C
O
P
Y

Accordingly, we believe that we are fully justified in strongly protesting the disallowance of this $1,681.06 and we trust that your further review of this situation will result in your concurring with our position. We, too, are anxious to finalize all matters in connection with this contract and shall appreciate anything which you can do to expedite the handling of this matter.

Yours very truly,

/s/ Donald P. Jones
Comptroller

DPJ:cml

RECEIVED
MAY 15 2 01 PM '53
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BMD - COMMUNICATIONS

V

48 WA SFS/I-DOM/

SAN FRANCISCO CALIF 5-15-53 1033A

E D TALBERT ASSISTANT CHIEF

CONTRACT ADMINISTRATION AND AUDIT DIVISION DEFENSE MINERALS

EXPLORATION ADMINISTRATION INTERIOR BUILDING WA

REURLET MAY 13, CORDERO MINING COMPANY, M. C. MILLER CONCURS WITH YOUR STATEMENT UNDER IV CONCLUSIONS OF AUDIT REPORT.

GEORGE MAVOR DMEA AUDITOR

13 IV

RB 1035A

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 15 1953

FILE COPY
SURNAME:

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

Air Mail

MAY 13 1953

Mr. George Meyers
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Idn-364, DMEA-1365
Cordero Mining Company

Dear Mr. Meyers:

Transmitted herewith for further distribution are the original and four copies of the Audit Certificate and the original and three copies of the Audit Report covering my findings as a result of my recent audit of the referenced project.

In addition to usual copies for the Regional Executive Officer and the Finance Officer, I am enclosing the Operator's copy as well as a copy for your files. I thought, in view of the disallowance, that Mr. Miller may desire to forward the Operator's copy at the time he requests a refund of the overpayment.

Your attention is called and, in turn, it is requested that you invite Mr. Miller's attention specifically to my statement under IV Conclusions that "With respect to the allowed costs for explosives, gasoline and oil for vehicles, telephone charges, bulldozer rentals and mileage charges, the Executive Officer of the Region III DMEA Field Team has determined that these items are necessary, reasonable direct costs of the project." If Mr. Miller concurs with this statement please advise me by teletype so I can release the Washington copies for distribution. If he does not agree, then please return all copies by air mail with suggestions for revisions.

I believe sufficient information is furnished in the report, with the possible exception of the telephone charges, for Mr. Miller to make the determination required by Question and Answer No. 1 of DMEA Circular 19, Supplement No. 1. It does not appear that there is any question that the costs charged to the New Almaden Mine (CY 2-4139) are "reasonable, necessary direct costs". However, I believe Mr. Miller must make a determination particularly in regard to the total charges of $94.09 billed to the San Francisco (GA 1-3076) and the Palo Alto (DA 5-3254) offices and charged to the project. A summary of the number of calls involved follows:

From	To	No. of Calls
San Francisco	Los Altos	3
" "	San Jose	14
" "	Salt Lake City	4
" "	Sebastopol	1
" "	Eugene	2
San Jose	San Francisco	1
Oakland	San Jose	21
Winnemucca	" "	1
Richmond	" "	12
"	Redwood City	6
Oakland	" "	2
"	Los Altos	5
"	Palo Alto	2
Palo Alto	Oakland	1
South San Francisco	Los Altos	1
		82

For Mr. Miller's information in considering this item of cost please advise him that during the course of the audit I was informed that the calls to Salt Lake City were to the offices of the drilling contractor, those to Eugene were to the consulting geologist (Dr. Staples), those originating in Oakland and Richmond were placed by Dr. Staples from the University and his residence, respectively, and most of the other calls were necessary in ordering or expediting delivery of materials.

It should be noted also that I have allowed the Hospital and Health Insurance costs even though Mr. Miller recommended their disallowance. The reason for allowance is stated in the report.

Many thanks for the assistance you have rendered in this audit.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Chief
Contract Administration
and Audit Division

Enclosure
EDTalbert/wb
May 13, 1953

5-13-53

Copy to: Docket
Admr. Reading File
Mr. Chambers
Mr. Joseph J. Boyle
17th floor, Sun Oil Company Bldg.
1608 Walnut Street
Philadelphia, Pa.

5/11/53 gla

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

May 8, 1953

Memorandum

DMA-1165X

To: Mr. Jay E. Chambers

From: E. D. Talbert (Signed) E. D. Talbert

Subject: Report on Audit Trip to Philadelphia, May 4 to 7, 1953

On May 7, 1953, I left Washington at 8:00 a.m., arriving in Philadelphia at 10:45 a.m., for an audit of the records pertaining to Contract IF-14 with the Cordero Mining Company, a wholly-owned subsidiary of Sun Oil Company. Prior arrangements for the audit had been made with Mr. Donald P. Jones, Comptroller of the Sun Oil Company, and some preliminary work had been performed by Mr. George Mayor, our San Francisco auditor, at the Company's Palo Alto office.

Some delay was encountered in starting the audit since both Mr. Jones and his secretary were out of the office. However, through the assistance of Mr. Wilson of the Accounting Department, the Cordero records were located and taken to the office of Mr. Joseph J. Boyle, a bookkeeper under the general supervision of Mr. Maurice L. Webster, Manager of the Sun Oil Company's Bookkeeping Department.

Since Mr. Boyle had made preparations for the audit by assembling all check-vouchers (with invoices and purchase orders attached), cancelled checks and time sheets, a quick job of spot-checking and a limited audit was initiated. However, the initial spot-checks indicated mistakes in distribution of costs to the items shown on the Form IF-14, as well as several items of questionable propriety as allowable costs of the project. Accordingly, a detailed audit of all items of costs was required.

Many of the questions arising during the audit were satisfactorily answered by Mr. Boyle, who was quite familiar with the project. However, at the conclusion of the detailed work on the evening of May 6, 1953, I had a total of $3,172.82 in suspense for possible disallowances. Accordingly, the next morning Mr. Boyle and I met with Mr. C. K. Williston, Vice President of Cordero Mining Company, to discuss the items involved.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: DATE 5-8-53

1. Mr. Ellis - Rm. 4640
2. Mr. Schmidt
3.
4. Div. Contract file

FOR:

---------- Action	---------- Recommendation
---------- Approval	---------- Record of ----------
---------- Comment	---------- Referring to ----------
---------- Conference	---------- Reply for signature of ----------
---------- Consideration	---------- Rewriting
---------- Filing	---------- Signature
---------- Instructions	---------- Suggestions
---------- Investigation	X Your information
---------- Initials	
---------- Mailing	
---------- Previous correspondence	

REMARKS: Since this contract originated in your Division I assume that Mr. Williston of the Cordero Mining Co. will discuss it with you on his visit to Washington, therefore I am giving you this advance memo from Mr. Talbert.

Check (X) before the items needing attention.

GPO 16—63815-1

J. I. C.
Initials of sender.

As the result of additional information and justifications furnished by Mr. Williston, it was determined that $1,028.08 (of the questionable items totalling $3,172.82) was allowable. Mr. Williston indicated his willingness to accept disallowances totalling $463.58 (covering, in part, such things as residential telephone charges, Christmas presents and dinners), but strongly protested the disallowance of costs for the initial rehabilitation and repair of living quarters in the total amount of $1,681.06 (labor $955.75, materials $663.96, taxes and insurance $61.35).

Exhibit "A" of the contract specifically states "It will not be necessary to rehabilitate any of the buildings or other facilities on the property for this exploration work". Mr. Williston claims this was only an estimate of requirements and not binding. He claims the rehabilitation was necessary to provide housing for both the Company's and the sub-contractor's employees. When I pointed out that, from an audit viewpoint, the rehabilitation definitely could not be allowed, Mr. Williston became angry, refused to discuss the matter of contract interpretation further, and stated "I'll be down to see Mitt and have him order you to reinstate the disallowance".

After discussing my findings, as a matter of courtesy, with Mr. Webster and Mr. Jones, I left Philadelphia on the 4:19 p.m., train arriving in Washington at 7:00 p.m., on May 7, 1953.

EDTalbert/sma
May 8, 1953

J. N. PEW, JR.
PRESIDENT

C. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY

~~703 MECHANICS' INSTITUTE BLDG.~~
~~57 POST STREET~~
~~SAN FRANCISCO 4, CALIFORNIA~~

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1953

April 28, 1953

1608 Walnut Street
Philadelphia 3, Pa.

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

Dear Mr. Chambers:

Your letter of April 23 indicates your desire to send your auditor, Mr. E. D. Talbert, to our office on or about May 4, 1953, for the purpose of auditing certain records pertaining to Exploration Project Contract Idm-E64, Docket No. DMEA-1165X.

We believe that all necessary information is available in this office and we will be pleased to see Mr. Talbert on the date indicated.

Yours very truly,

Donald Johnson

Comptroller

DPJ:cml

FILE COPY
SURNAME:

Talbert
Chambers

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

APR 23 1953

BH

Mr. Donald P. James, Controller
Cordero Mining Company
1606 Walnut Street
Philadelphia, Pennsylvania

Dear Mr. James:

Under the terms of Exploration Project Contract Idm-F64, Docket No. DMA-11652, between the Cordero Mining Company and the United States of America, it is provided that "the Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time."

We have been advised by the Palo Alto, California, office of your company that all original records and accounts, including invoices, employees' time cards, payrolls and canceled checks, are in the custody of your office. Accordingly, it is anticipated that Mr. E. D. Talbert, an auditor representative of this Division, will visit your office on or about May 4, 1953, for the purpose of auditing the records pertaining to this contract and certifying the validity and propriety of the Government's payments thereunder.

If for any reason the timing of this visit is inappropriate, please advise, and suggest a time in the near future that will be satisfactory.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

J.N.
4/23/53

EDTalbert/wb
April 23, 1953

Copy to: Docket
Admr. Reading File
Mr. Mayor
Mr. Ellis
Mr. Talbert
Mr. Chambers

FILE COPY
SURNAME:

800

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

APR 3 1953

Bev.

Mr. George Maver
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: DMEA-1165X, Idm-164
Cordero Mining Company

Dear George:

Receipt is acknowledged of your letter of April 1, in reply to mine of March 26, 1953, concerning the referenced project.

I wish to thank you for the promptness of your reply and also for the completeness of the information which you have furnished. This information will greatly facilitate my audit. Again, many thanks.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Chief
Contract Administration
and Audit Division

S.N. 4/3/53

EDTalbert/wb
April 3, 1953

Copy to: Docket
~~Mails & Files~~
Admr. Reading File
Mr. Chambers

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

1012 Flood Building
870 Market Street
San Francisco 2, California

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

April 1, 1953

Mr. E. D. Talbert, Assistant Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: DMEA-1165X, Idm-864
Cordero Mining
Company

Dear Dal:

Reference is made to your letter dated March 26, 1953, wherein you request certain information pertaining to audit of subject operator's books and records. I visited the Palo Alto office yesterday and discussed the questions you asked with Doyle Luther, Office Manager, and B. H. Williston, Vice President, and I am presenting below the answers to paragraphs 1 to 9, inclusive, as set forth in your letter.

1. Waiver of Documents was not adhered to by operator. No documents were attached to the MF-104's for the period August 15, 1951 to December 31, 1951, as supporting documents were not required during this period. However, commencing January 1952 through February 1953, the operator attached certified copies of invoices, which are retained in the Finance Office here in San Francisco. I reviewed copies of invoices for the entire period of operation and did not see any items which could be classified as a disallowance. The original invoices are attached to the voucher check copy in the Philadelphia Office, and the cancelled bank checks are also held in that office. For your information and guidance, you will find attached hereto a copy of a statement prepared by the Philadelphia Office for the month of December 1952, which shows all DMEA charges for the month and is in agreement with the MF-104. A similar statement is sent each month to Palo Alto for verification and reconciliation.

2. Attached are photostatic copies of payrolls for month of January 1952. These copies were inadvertantly retained in the Finance office files.

3. The operator had prepared a statement showing the reclassification of cost accounts brought forward to the May 1952 MF-104. He did not attach any copies of this conversion statement

to the MF-104, and unfortunately the statement was either destroyed or misfiled as it could not be found in the Palo Alto office files. I prepared a conversion statement, which you will find attached, and I believe it will give you the required information.

4. With reference to salary paid to superintendent in excess of $600.00 per month, and identified as follows:

Salary prior to 6/15/52	$ 550.00
10% increase 6/15/52	55.00
	$ 605.00
3% increase 11/1/52	18.00
Salary after 11/1/52	$ 623.00

The increases were brought about by general increases in mining industry and applied to all of Cordero Mining Company employees. However, Mr. Miller does not think the excess salary should be allowed over and above the $600.00 he stipulated in his letter dated November 7, 1951.

5. The Liability Insurance premiums covering truck operations were charged to the cost of the project by the operator under the assumption that they were reasonable costs, in view of not charging either rent or depreciation for the use of the trucks.

The Hospitalization Insurance is an insurance benefit given to all employees of the Cordero Mining Company both at Almaden, California and McDermitt, Nevada. You will note on the attached statement for December 1952 DMA charges that the premiums are $5.09 for monthly employees and $53.59 for hourly employees. These premiums are paid by the Sun Oil Company in Philadelphia and the policy is with the Equitable Life Assurance Society of the United States.

Mr. Miller feels that the Liability Insurance and Hospitalization Insurance premiums should be disallowed for the reason that they were not mentioned as a cost of the contract.

The operator stated that the above insurance premiums were necessary costs of operation and should be allowed. In addition, he pointed out that a compressor had been used during life of contract for which no charge had been made, and the normal rental would have been $365.00 per month.

6. The operator advised that the superintendent ($623.00 per month) and one man assisting in retimbering and repair work was

necessary for protection of the diamond drillers, due to loose ground which was a continuous hazard. The superintendent did considerable work himself, and his presence and knowledge of existing conditions in the mine helped the morale of the mining crew. In addition, the California law does not permit one man to work alone underground.

In connection with the two-man crew engaged in retimbering and repair work after the underground rehabilitation work had been completed, and the inspection report prepared by John D. Warne estimated that the cost of the work under phase one of the project would cost approximately $60,000.00 and was considered excessive. Mr. B. H. Williston, Vice President of Cordero Mining Company, stated that it had to be remembered that this mine was started back in 1888, and had caved in repeatedly during operations. When this project was started, it was necessary to retimber the tunnel and keep it in constant repair for the protection of the diamond drillers, who would not perform the work unless they had proper protection from possible cave-ins. Mr. Williston also stated that they encountered many unforeseen obstacles due to the loose formation of the ground encountered.

All of the explanations as herein described in paragraph 6 have been discussed with Mr. H. C. Miller, and he is of the opinion that all of the work was necessary and the costs were unavoidable in view of the precautions that had to be taken in order to safeguard the mining crew by the constant timbering and repair work.

7. Arrangements have been made with Doyle Luther, Office Manager for Cordero Mining Company, to prepare an extra copy of MF-104 for the month of March 1953, and same will be forwarded to you as soon as it is received in San Francisco. Arrangements have also been made to withhold payment of the March 1953 MF-104 until completion of audit.

8. A copy of the "Employees' Time Record" is on hand here in Palo Alto; the original is filed in Philadelphia Office. This form is prepared on a semimonthly basis and each copy is approved by the superintendent. This time record for each employee agrees with the amount shown on the payroll.

The payroll checks are mailed from Philadelphia direct to Mine Site, and the superintendent distributes the checks to the employees. The Philadelphia Office also prepares a payroll each month, which shows the gross amount earned by each employee, and the Cordero Mining Company liability for social security taxes.

For your information, I tested quite a few of the "Employees' Time Records" to the payroll and found no mistakes.

9. The salvage value of material and supplies has already been established at a value of $1,784.00, and in this connection I am attaching hereto copy of letter dated March 26, 1953, from Mr. H. C. Miller to Cordero Mining Company accepting their bid of $1,784.00 for the salvaged material and supplies.

Sincerely yours,

George Mavor

George Mavor
Auditor

Enclosures

GMavor:hid

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1953

Office of
Executive Officer
DMEA Field Team
Region III

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

March 27, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Operators' Monthly Progress Reports - Forms ME-104 & ME-104A

Enclosed herewith are two copies of each of the subject reports received from the following operators as listed below. These reports have been audited and passed to the Treasury for payment.

Contract No.	Operator	Report dated	Period covered
Idm-E64 DMEA-1165X	Cordero Mining Company	Mar. 13, '53	February 1953
Idm-E369 DMEA-2478	New Idria Mining & Chemical Company	Mar. 12, '53	February 1953
Idm-E379 DMEA-2455	Aubrey Minney	Mar. 10, '53	January 1953
Idm-E467 DMEA-2289	Graham Development Corp.	Mar. 14, '53	February 1953

Sincerely yours,

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

Attachments

Copy to: E. H. Bailey, USGS

FILE COPY
SURNAME:

800

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

MAR 2 6 1953

AIR MAIL

Mr. George Mayer
DMEA Auditor
3812 Flood Building
870 Market Street
San Francisco 2, California

Re: DMEA-1165X, Idm-164
Cordero Mining Company

Dear George:

Since your telegram of March 20, 1953 indicates that "all records including invoices, payrolls and cancelled checks" covering the costs of the referenced project are located in the Operator's Philadelphia Office, the final audit will be my responsibility. In order to properly perform this audit, however, I will need some assistance from you inasmuch as the normal review of the Certifying Officer's records, and the usual consultation with the Regional Executive Officer, are involved.

I have made a preliminary review of the contract and copies of the forms MF-104 filed in this Division. This review has indicated there are a number of matters that should be clarified before making the site audit, i. e.:

1. Documentation requirements were waived by Mr. Miller's letter to the Operator under date of October 7, 1952; therefore it is presumed that all forms MF-104 for the period August 15, 1951 through September 30, 1952, were supported by documentary proof of costs. It will be appreciated if you will review those claims, except for the semi-monthly payrolls (See 2 below), and advise me as to (a) the extent that they are supported by original documents which may not be available in Philadelphia and (b) any items of cost which appear questionable.

2. The copies of forms MF-104 submitted to this office have included photostatic copies of the semi-monthly payrolls, except those for the month of January, 1952. If you can arrange to have a copy of each of the semi-monthly payrolls for this one month made and forwarded to me, I will be enabled to complete the payroll analysis and summary prior to the actual site audit.

3. During the life of the contract the Operator used three types of forms MF-104, i. e., the April 1951, August 1951 and April 1952 forms. I have been able to reconcile the item totals as brought forward during January 1952 from the oldest to the intermediate form,

but have been unsuccessful in my attempt to reconcile the item totals brought forward during May 1952 from the intermediate form to the latest revision. If the Operator furnished an analysis or explanation, please have a copy made and forwarded to me.

4. The original contract provided for "One foreman $500.00/mo." By letter dated November 7, 1951, Mr. Miller amended the contract to provide for a foreman at "up to $500.00 a month" and a working superintendent at "up to $600.00 a month." The records indicate that the foreman has been paid through December, 1952 within the indicated maximum, but that the superintendent has been paid at the rates of $605.00 per month, effective June 15, 1952, and $623.00 per month, effective November 1, 1952. Please discuss this with Mr. Miller and, if he considers these rates to be reasonable, advise him of the necessity of issuing a confirming amendment to the contract.

5. There are indications that the Operator has been charging for Liability Insurance premiums on a truck from the start of the project and for Hospitalization Insurance since September 1952. Since ordinarily no forms of insurance, except workman's compensation and employer's liability insurance, are allowable costs (see Question and Answer No. 15, Operating Committee Memo No. 8), the question arises as to whether such insurance is required by California law or whether Mr. Miller has determined specifically that it is a direct cost of the project (under the conditions stated in Question and Answer No. 1, DMEA Circular 19, Supplement No. 1). The Liability Insurance on the truck appears doubly questionable since Exhibit "A" of the contract does not provide for Government participation in either the rental, depreciation or purchase of a truck. Please discuss this matter with Mr. Miller and advise me as to your determinations and recommendations.

6. An Interim Inspection Report, dated February 25, 1952, signed by John D. Warne, forwarded as a Field Team Report by Mr. Miller's memorandum to the Operating Committee under date of March 3, 1953 contains the following statements:

> "Expenditures for a superintendent (at $623.00 per month) and for one man to assist him in retimbering and repair work is not considered necessary and should be discontinued", and
>
> "The cost of supervision and repair work in connection with diamond drilling work is considered excessive."

Also, an Interim Inspection Report, dated December 23, 1952, signed by John D. Warne, forwarded as a Field Team Report by Mr. Miller's memorandum to the Operating Committee under date of January 7, 1953, states in part:

"Underground rehabilitation work has been completed; however, a two-man crew is still engaged on retimbering and repair work. The cost of this work will be approximately 60 per cent of the total cost of phase one of the project (about $60,000.00) and is considered an extravagant expenditure in connection with preparing sites for the underground diamond drilling exploration work", and

"Costs for performing the underground exploration work are considered excessive."

Since the Government's payments, by the terms of the contract, are to be based on the actual, necessary and reasonable costs of performing the exploration work, these excerpts from the Field Team's report raise some doubts as to the validity and propriety of the costs claimed by the Operator. It may be necessary for Mr. Miller to make a specific determination in this case (similar to the ones he made on the Philip Carey contracts) that the costs incurred are reasonable and necessary within the terms of the contract. Please discuss the matter with him and advise me of the results.

7. In order to expedite the final audit it will be necessary for me to have a copy of the final MF-104 as soon as possible after its receipt by Region III. Therefore, it will be appreciated if you will arrange to have a photostatic or typed copy prepared and forwarded to me immediately upon receipt, which you have estimated to be about April 10, 1953. It might be advisable to request Mr. Sjolander to withhold payment of the final MF-104, in accordance with Article 8 of the amended contract, pending completion of the audit.

8. Your telegram indicates that all records are in the Operator's Philadelphia Office. Does this include the time cards and related supporting payroll documents? If not, and the time cards in particular are retained in Palo Alto, it may be advisable for you to make a site audit of several months' time cards.

9. Since approximately 30 percent of the project costs (excluding the sub-contracted drilling) cover materials and supplies, the importance of an early determination as to whether there is any salvage value becomes apparent. Please discuss this with Mr. Miller and, if possible, advise me as to whether there is any salvage value and whether or not he intends to waive the Government's interest therein.

Your cooperation and assistance on the above matters will be sincerely appreciated.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Chief
Contract Administration
and Audit Division

S.N.
3/26/53

EDTalbert/wb
March 26, 1953

Copy to: Docket
Admr. Reading File
Rare & Misc. Div. (Mr. Schmidt)
Mr. Chambers
Mr. Talbert

3/31/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

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

March 26, 1953

Mr. J. Eldon Gilbert, Manager
Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket DMA-1165X (Mercury)
New Almaden Mine
Santa Clara County, Calif.
Contract Idm-E64 Amended

Dear Mr. Gilbert:

Reference is made to your letter of March 20, 1953, addressed to Mr. A. C. Johnson at Reno, Nevada, in which you list the following equipment and machinery which have been purchased with DMEA funds and were used in your operation under the above cited contract:

7 tons 16# Rail
5 tons 12# Rail
4000 ft. (approximately) black iron 2" pipe
1 3 HP Mall Chain Saw
1 3/4 HP G.E. Electric Motor
1 Starting Battery
4 Truck Tires and Tubes - size 650 x 20

We note that you have made every effort to have the equipment appraised and to get bids for its purchase; that no one was interested in any of the equipment on an "as is - where is" basis while it still was underground; that in order to get any bids at all you found it necessary to remove the rail and pipe from their underground location, and that you then were able to find a market for only the rail, pipe, and chain saw.

You report that the best bid you could get for the rail was $70 per ton; 17 cents per foot for the pipe, and $150 for the saw. Your efforts to sell the battery, tires and tubes, and the electric motor are noted and that the best you could do was to get net more than $15.00 for the battery; $10.00 for each tire, including tubes, and $15.00 from a junk dealer for the 3/4 HP motor.

On the strength of the effort you have made to dispose of the material at the highest possible price, we accept the Cordero Mining Company's bid, dated March 20, 1953, for the purchase of the following material on an "as is - where is" basis at the prices indicated:

12 tons Rail	at $72.00	$ 864.00
4000 ft. 2" Pipe	17-1/2 cts.	700.00
3 HP Chain Saw		150.00
1 Battery		15.00
4 650 x 20 Tires & Tubes	$10.00 ea.	40.00
1 3/4 HP Electric Motor		15.00
		$1784.00

Your final report should include a detailed statement of the disposition you have made of the property. As you are purchasing the property, credit for its value should be indicated in your final monthly report on Form MF-104 by the insertion of suitable credits in the "Monthly Total" column.

Sincerely yours,

H. C. MILLER

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

Copy to: DMEA, Washington, D.C. (2)
E. H. Bailey, USGS
A. C. Johnson, Reno

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1953

TKM

485 WA SFS /I-BOM/

SAN FRANCISCO CALIF 3-20-53 1033A

JAY L CHAMBERS CHIEF

CONTRACT ADMINISTRATION AND AUDIT DIVISION DEFENSE MINERALS EXPLORATION ADMINISTRATION INTERIOR BLDG WA

REURTEL MARCH 19 CORDERO MINING COMPANY, DMEA-1165 IDM-E64, ALL RECORDS INCLUDING INVOICES, PAYROLLS, AND CANCELLED CHECKS ARE IN CUSTODAY OF JOSEPH J BOYLE, BOOKKEEPING DEPARTMENT, 1608 WALNUT STREET, PHILADELPHIA. FINAL MF-104 FOR MARCH TO BE COMPLETED BY APRIL 10 INCLUDING FINAL ENGINEERING REPORT

GOERGE MAVOR DMEA AUDITOR

19 DMEA-1165 IDM-E64 1608 MF-104 10

VD 1035A

RECEIVED
MAR 20 1 59 PM '53
GENERAL SERVICES ADM
PUBLIC BLDGS SERVICE
WAS - DEPT INTERIOR

MAR 20 3 44 PM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

FILE COPY
SURNAME:

Talbert

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

BW

D. M. E. A.

E. D. Talbert
3719

14X3923.970 Working Fund, DMEA
March 19, 1953

Mr. George Meyer, DMEA Auditor, 1012 Flood Building, 870 Market Street, San Francisco 2, California

J.C. 3/19/53

Re Gordero Mining Co., DMEA-1165, Idm-264, on your audit schedule for the month. Information on hand indicates original documents and books are in Philadelphia. If records of Operator's Palo Alto office are inadequate for purposes of your audit, please advise and I will arrange for audit from Washington.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
March 19, 1953

Copy to: Docket
Admr. Reading File
Bu Mines Audit
Rare & Misc. Div.
Mr. Chambers

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Office of
Executive Officer
DMEA Field Team
Region III

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

March 12, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Operators' Monthly Progress Reports - Forms MF-104 & 104A

Enclosed herewith are two copies of each of the subject reports received from the following operators as listed below. These reports have been audited and passed to the Treasury for payment.

Contract No.	Operator	Report dated	Period covered
Idm-E64 DMEA-1165	Cordero Mining Company	Feb. 11, '53	January 1953
Idm-E332 DMEA-2354	Hidden Hills Company	Feb. 1, '53	December 1952
Idm-E332 DMEA-2354	Hidden Hills Company	Feb. 1, '53	November 1952
Idm-E404 DMEA66	Ely Valley Mine, Inc.	Feb. 9, '53	January 1953

Sincerely yours,

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

Attachment

Copy to: E. H. Bailey, USGS

1165

m

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

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

Date: March 3, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 1165X

Contract Idm-E 64

Commodity Mercury

Operator - Cordero Mining Company

Property - New Almaden Quicksilver Mine
Santa Clara County, Calif.

By John D. Warne, Mining Engineer

Dated February 25, 1953

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

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

INTERIM REPORT

Docket No.: DMEA-1165X (Mercury) February 25, 1953

Name and address of operator: Cordero Mining Co.,
131 University Avenue,
Palo Alto, California

Name and location of property: New Almaden Quicksilver Mine,
10 miles south of San Jone, Calif.
Santa Clara County, Calif.

Contract No.: Idm-E64

SUMMARY AND CONCLUSIONS

This project was visited on February 18, 1953. At this time underground diamond drilling was in progress on the Day Tunnel level from a drill station located about 2900 feet from the portal.

Hole 7,drilled from Dec. 1, 1952 to Feb. 2, 1953 to a total depth of 681 feet from near the Santa Rita shaft,did not encounter mercury mineralization.

Funds available for this project are nearly depleted ($124,650) and no mercury mineralization or ore reserves have been located to date.

RECOMMENDATIONS

Expenditures for a superintendent (at $623.00 per month) and for one man to assist him in retimbering and repair work is not considered necessary and should be discontinued. None of this work was observed in progress at the time of inspection. Directions for drill holes are made by company geologists; and apparently all records and transmittal of orders to the drilling contractor could be made by the resident geologist.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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1953 MAR 2 PM 7:53

SAN FRANCISCO, CALIFORNIA

WORK COMPLETED

The operator still reports a total of 2,745 feet of rehabilitation work performed to date in reopening the Day Tunnel level; and a cost of $2,130.21 is charged for labor and supervision for the month of January in connection with retimbering and repair work on this level.

Diamond drilling work was discontinued at the Santa Rita shaft drill station site after completing underground drill hole 7 as follows:

Hole No.	Coordinates	Bearing	Inclination	Length
7	2488 N, 5045 W.	N. 25° W.	-60°	681 feet

Diamond drilling is now in progress at a new drill station located about 500 feet southwest of the original "mule barn" site (1635N, 5130 W). Pertinent data regarding drilling done at this site to date has not as yet been reported by the operator.

GENERAL COMMENTS

Considerable difficulty was encountered in completing hole 7 from the Santa Rita shaft area. This hole was completed at 681 feet in depth, and was drilled during the period December 1, 1952 to February 2, 1953. No mercury mineralization was encountered.

No retimbering or repair work was in progress at the time of inspection. One of the men employed for this work was loaned to assist the drilling contractor as one of his men failed to report for work on February 18. The cost of supervision and repair work in connection with diamond drilling work is considered excessive.

Work on this project is nearly completed. A final report will be prepared when total information is submitted by the operator.

CHECK SAMPLING

No mineralization is reported to have been encountered to date; no check samples were taken.

John D. Warne

John D. Warne
Mining Engineer

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1959 MAR 2 PM 7:53

SAN FRANCISCO, CALIFORNIA

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

Office of
Executive Officer
DMEA Field Team
Region III

Department of the Interior
Defense Minerals Administration
RECEIVED
JAN 1 - 1953

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

January 15, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E64 (Amended)
Docket DMEA-1165X (Mercury), Cordero Mining Company
Santa Clara County, California

Reference is made to Mr. Ernest Wm. Ellis's letter of December 16, 1952, transmitting to this office the original and five copies of subject amended contract.

The amended contract has been executed on the part of the Operator and one copy retained by him. Proper distribution has been made of the Field Team's and Finance Officer's copies, and the original and two remaining copies are returned herewith.

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

Attachment

Copy to: A. C. Johnson, Reno (With copy of contract)
Finance Officer, Region III (With copy of contract)
E. H. Bailey, USGS
George Mavor

1-19-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 15 1953

Office of
Executive Officer
DMEA Field Team
Region III

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

January 9, 1953

Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket DMEA-1165X (Mercury)
Amended Contract Idm-264
Cordero Mining Company
Santa Clara County, Calif.

Gentlemen:

On December 17, 1952, the original and five copies of the subject amended contract signed by the Government were mailed to your Palo Alto address. You were requested to sign all copies and to return all copies other than the Operator's copy to this office.

Kindly give this matter your immediate attention, as to date the executed copies have not been received by us.

Sincerely yours,

H. C. MILLER

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

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

HCMiller:mpp
Files
Chron.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

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

Date: January 7, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 1165X

Contract Idm-E 64

Commodity (Mercury)

Operator - Cordero Mining Company
San Francisco 4, Calif.

Property - New Almaden Quicksilver Mine
Santa Clara County, Calif.

By John D. Warne

Dated December 23, 1952

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

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

INTERIM REPORT

Docket No: DMEA-1165X December 23, 1952

Name and address of operator: Cordero Mining Co.,
67 Post Street
San Francisco 4, Calif.

Name and location of property: New Almaden Quicksilver Mine,
10 miles south of San Jose, Calif.
Santa Clara County, Calif.

Contract No: Idm-E64

SUMMARY AND CONCLUSIONS

This project was visited on December 13, 1952. At that time underground diamond drilling on the Day Tunnel level from a drill station near the Santa Rita shaft was in progress.

On December 9, 1952 a total of 6,340 feet of diamond drilling had been completed; and 2,745 feet of the Day Tunnel had been reopened.

Underground rehabilitation work has been completed; however, a two-man crew is still engaged on retimbering and repair work. The cost of this work will be approximately 60 percent of the total cost of "phase one" of the project (about $60,000.00) and is considered an extravagent expenditure in connection with preparing sites for the underground diamond drilling exploration work. As of December 9, 1952, a total of 1,260 feet of underground diamond drilling had been completed.

RECOMMENDATIONS

Termination of this project is recommended upon completion of "phase one" of the contract as no mercury ore has been encountered

and work planned under "phase two" would not be applicable.

An increase in funds available to perform further work under "phase one" (by amending the contract) is not recommended.

WORK COMPLETED

The operator reports a total of 2,745 feet of rehabilitation work performed to date in reopening the Day Tunnel level. An aggregate of 6,340 feet of diamond drilling was completed as of Dec. 9, 1952.

Work required to reopen Day Tunnel level workings has been completed affording access to underground drill sites, although a two-man crew is still engaged on retimbering and repair work.

The following underground diamond drilling work has been completed to date:

Hole No.	Coordinates	Bearing	Inclination	Length
USG-1	1635N, 5110W	S 70° E	-75°	114'
USG-2	1640N, 5130W	N 80° W	-45°	389'
USG-3	1525N, 5020W	S 43° E	-23°	24'
USG-4	1525N, 5020W	S 43° E	+9°	101'
USG-5	1635N, 5107W	S 75° E	+6°	272'
USG-6	1635N, 5107W	S 70° E	-25°	224'
USG-7	2488N, 5045W	N 25° W	-60°	136' *

*Hole still in progress on 12/9/52

GENERAL COMMENTS

1. It is estimated that the total allowable contract amount ($101,112.00) to complete "phase one" of this project will be depleted by December 31, 1952. Costs for diamond drilling for November 1952 have not yet been submitted by the company and rough estimates of the expenditures of this project to December 31, 1952 are as fol-

lows:

Costs reported as of 11/30/52	$92,274.91
Cost of diamond drilling 11/1-12/31/52 . . .	6,120.00 *
Cost of repairs & retimbering 12/1-31/52 . .	4,324.00 *
	$102,718.91 *

*Estimated costs.

The total amount allowable to complete "phase one" of the contract may be in excess of $101,112.00 due to amendments previously made to the contract.

2. Costs for performing the underground exploration work are considered excessive. The cost of rehabilitating the Day Tunnel 800-foot level ($60,000.00) will be about 2.4 times the original estimate, and the cost of this work applicable to diamond drilling, under "phase one" of the program will be about $30 per foot.

3. Considerable cementing of the drill holes is being done in an attempt to maintain water return to allow for completing underground drill holes. Cementing results are reported as only partially successful, and this work has increased drilling costs.

CHECK SAMPLING

No mineralization has been encountered to date by the diamond drilling work; no check samples were taken.

John D. Warne

John D. Warne
Mining Engineer

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1953 JAN 2 AM 9:3

SAN FRANCISCO, CALIFORNIA

Office of
Executive Officer
DMEA Field Team
Region III

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1952

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

December 17, 1952

Cordero Mining Company
131 University Avenue
Palo Alto, California

Re: Docket DMEA-1165X (Mercury)
Amended Contract Idm-R64
Cordero Mining Company
Santa Clara County, California

Gentlemen:

Enclosed are the original and five copies of the subject amended contract, which have been signed by the Government. After signing all six copies you are to retain the Operator's Copy for your files and return the other copies to this office.

The amendment consists of reducing the depth of shaft work in Phase II from 600 feet to 300 feet and transferring this reduction in cost, amounting to $23,538.00, to the item in Phase I of opening the caved Day tunnel, and maintaining same until the drilling program is complete.

The new form of contract MF-200 (Revised Feb. 1952) has been used.

Sincerely yours,

H. C. MILLER

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

Enclosure

Copy to: DMEA, Interior Bldg., Washington 25, D. C.
E. H. Bailey, USGS

J. N. Pew, Jr.
President

S. H. Williston
Vice President

John C. Agnew
Secretary-Treasurer

/ C O P Y /

CORDERO MINING COMPANY

131 University Avenue
Palo Alto, California

December 16, 1953

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
United States Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

In connection with your letters of December 3rd and November 27th I might clarify the matter along the lines you mention.

In the preparation of our estimates for the Almaden project we examined the housing and the property. The housing appeared to be in good useable condition. When the diamond drill crew and the Day Tunnel crew moved on to the property, we found evidence that the tar paper roofs on many of the buildings were beginning to crack and that undoubtedly the first rains in the fall would make much of the housing entirely unuseable.

Since it would be much cheaper to make these necessary repairs on these houses rather than to arrange for other housing, we immediately made the repairs so that we would be ready for the rainy season normally starting in the fall.

As the Almaden Mine is located over fifiteen miles from San Jose, local housing was desirable and as it is almost customary in mining exploration work, especially when moving men from other districts, to supply housing for the miners, we were expected by the men involved to do it in this case.

In connection with our diamond drill contract, it was definitely understood between ourselves and the contractor (Boyles Brothers) that we would provide housing for the diamond drillers and it was on this basis that their bid on cost per foot was reached. If we had not specified housing we would have had to pay a higher rate per hour for reopening the Day Tunnel and a higher price per foot for all diamond drill work.

The other charge, for flooring, had to do with the replacement of a rotten and termite-infested floor in the building used for assaying and for storage of the Almaden Mine maps. This building had to be used since the map vault was a part of the building, and the flooring in the other part of the building, used for assaying, was dangerously unsafe.

The other items of a much smaller total amount, were more in the nature of necessary maintenance than they were of rehabilitation.

There is absolutely no doubt whatsoever that these expenditures were reasonable and necessary. If we had failed to make them and endeavored to make other arrangements in regard to maps, etc., and amendments to the diamond

drill contract, the overall cost would have been very materially in escess of the amount here involved.

I think it again advisable to emphasize the fact that in our early report on this project exact copies of every expenditure were supplied to the DMEA team and each month the report was discussed in its pencil stage to make sure that everything was in order. It was in this way that invoices were brought up regarding "allowable supervision", "wage rates", etc. There can hardly be any doubt that the DMEA team was fully familiar with what we were doing and, since they questioned certain items at that time and had full information on the roof and floor repairs, that it was reasonable for us to feel that these latter expenses were not questionable.

In answering your specific questions on Page 2 it is, therefore, correct that at the time we made the estimate no rehabilitation was contemplated. It is also correct that when we occupied the houses at a later date it was only then determined that the roofs leaked and that one floor needed replacement. It is also a fact that our diamond drill contract was based on our supplying housing for the workers and it is also customary in all our exploration work to supply housing for our underground workers.

Insofar as Paragraph 2 is concerned, as I pointed out above, the original examination of the housing indicated that no repairs would be needed and it was on that basis that I originally suggested the quotation, "It will not be necessary to rehabilitate any of the buildings or facilities on the property for this exploration work." Candidly, it did not occur to me at the time it went in that this would be interpreted so bradly as to deny nominal building maintenance. When you realize that this $1600 stretched out over almost twenty months I think you will recognize the fact that it was an exceedingly low maintenance.

As you mention in your letter, almost all of this rehabilitation was completed and included in other accounts long before your new form was used which set up "Rehabilitation" and items were included in this account which we normally, in our own bookkeeping, set up as a "General Maintenance" account.

Insofar as the audits are concerned, you state that the Western audit was not as complete as the Eastern audit; actually this is not the case. Copies of all the information available in Philadelphia were also available in California. The audit made in Palo Alto was fully as complete as the one made in the East but it was done a great deal more intelligently. The West Coast auditor was familiar with mining and mining problems. Your Eastern auditor, on the other hand, at that time, had had almost no experience with metal mining or metal mine exploration.

I was quite familiar with the fact that a final audit would be made and upon the conclusion of your audit, although many small amounts were disallowed which were legitimate, we made prompt payment on anything which could conceiv-

ably be disallowed. It was only on these few items which I find to be clearly necessary, reasonable and essential for the proper conduct of the project that I raised the question.

It is unfortunate that the Bureau of Mines' member of the DMEA team here in San Francisco is primarily a petroleum man rather than a mining man. I think much of this difficulty is attributable to his lack of actual experience with mining but I do not believe that we should be penalized because of that fact.

Very truly yours,

/s/

S. H. Williston

SHW:L

cc - Mr. Donald P. Jones, Philadelphia

FILE COPY
SURNAME: TOC

Schmidt
Ellis
Chambers

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

DEC 1 0 1952

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

Re: Docket DMEA-1165 (Mercury)
Amended Contract Idm-64
Cordero Mining Company
Santa Clara County, California

Dear Mr. Miller:

Enclosed are the original and five copies of the subject Amended Contract, which have been signed by the Government. When the original and all copies have been signed by Operator, the copies marked "Operator's Copy", "Field Team's Copy" and "Finance Officer's Copy" are to be given to the designated parties. The original and the other copies are to be returned to Washington.

This amendment has been executed in accordance with your telegram of December 2, 1952. It consists of reducing the depth of shaft work in Phase II from 600 feet to 300 feet and transferring this reduction in cost, amounting to $23,538.00, to the item in Phase I of opening the caved day tunnel, and maintaining same until the drilling program is complete.

The new form of contract MF-201 (Rev. Feb. 1952) has been used.

Sincerely yours,

Ernest Wm. Ellis (JHB)
ACTING Chairman, Operating Committee

Enclosures
APPROVED:
J. H. Hedges (JHB)
Member, Bureau of Mines
A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

FS Schmidt/jem 12/10/52
cc to: Adm. Reading File
Docket
Messrs. H.M.Meyer-Rm.3623
A.R.Kinkel-Rm.4234
Ellis Schmidt Chambers
Opr. Com.
Field Team, Reg. III

12-10-52

140

FILE COPY
SURNAME:

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

December 9, 1952

Memorandum

To: Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: Cordero Mining Company - Docket No. DMEA-1165X (Mercury)

There is attached in satisfactory legal form for execution an amended exploration contract. However, the changes are of such nature that a new Owner's Consent to Lien should be attached unless the sole promise to perform by the Operator, Cordero Mining Company, is acceptable. In the Amended Contract itself, I have made reference to the Subordination Agreement rather than to the Owner's Consent to Lien because I have been advised that the latter cannot be obtained.

The Amended Contract refers to the services of a geologist at an annual rate of $7,000, and I again call your attention to my previous memorandum to you of July 16, 1951, with reference to the original contract in which I said:

> "It seems to this office that the allowance of $7,000 a year for a geologist is out of line unless full-time services are to be given. This, however, is a comment for administrative rather than for legal consideration."

J. L. Hofflund
Chief Counsel

Attachment

AEKane/ema
cc: Mails & Files
J. L. Hofflund
H. E. Kane
Chron.

Please note change of address (card announcement sent to Mails & Files to be placed in the docket):

CORDERO MINING COMPANY

announces the removal of their offices at

57 Post Street

San Francisco 4, California

to

131 University Avenue

Palo Alto, California, on

December 8, 1952

S. H. Williston, Vice-President
J. Eldon Gilbert, Manager

DMA 1165 X Cordero Mining CO 12/4/52 Mercury

notes by Schmidt

The object of this amendment is to take $23,000 from phase two and use it in phase one. Instead of making the amount exactly $23,000 I divided the 600 ft shaft in half making 300 feet even, and transferring $23, 538.00

The reason for the necessity of doing this is that the 600 feet estimated of opening the old tunnel is really much greater. Reference is to the actual work of opening or spiling and not merely refering to a distance in the tunnel that is open. Since the amount of spiling was underestimated it has been necessary to borrow from phase two without increasing the amount of the total contract.

Since the holes in area A and B were " dusters" there will be less need for shaft sinking in phase two. This is all in accord with telegram from Miller instructing us as to what was wanted. and also expressing approval of the Field Team

Williston has given notice that unless this amendment is finished by Dec 10 to 15th that he would not carrry the financial load himself. See accompanying time table showing progress of this amendment.

The reason for justification is that so much money has been spent (about $100,000) to get the tunnel open to a point close to the Santa Rita shaft from which neighborhood the drilling of areas C and D will be done. If this trznsfer of funds is not done all the money spent so far will be wasted, and this matter of whether there is ore left in this "country" or not should be settled for all time.

As soon as this amendment is signed by the Government I plan to telephone Miller in San Fran to notify the operator.

In original contract exhibit A page 1 paragraf 7

extimates must cover the complete cost of spiling 600 feet.

this is the cost figured in the original contract 600 ft at at $41.59

Notes by Schmidt 12/4/52

" The reason for the necessity of doing this is that the 600 ft estimated of opening the old tunnel is really much greater, reference is to the actual work of opening or ~~spiling~~ spiling and not merely refering to a distance in the tunnel that is open.

the amount of 1166 ft of tunnel opening is the total

and is supposed to take care of the repair ~~xxxxxxxx~~ and spiling of the total length involving 2500 feet plus whatever additional tunnel they were goi g

~~It~~ ~~Ape~~ the time the

It was the mine operat contention that in reaching the 2500 ft point in the tunnel that he had spiled two or three times as much distance as planned

111, 563 [illegible]
47576 [illegible] 5
63,927

12,[illegible]
53927
60,723

Cordero Mining Co. Timetable of progress of amendment

11/24 Letter Williston to Miller

12/1 I foned Miller asking him to send me OK by Field Team which is required to reduce the amount of work in phase II - and cost approval of amendment.

12/3 P.M. Wire from Miller stating position of Field Team as favorable and providing me with the figures requested.

12/4 Took my draft of the amendment which I had already prepared to Kane who redrafted it and called me for discussion. He was told a bout the time limit.

12/5 Friday Kane said it was in the legal steno office

12/6 Saturday

12/7 Sunday

12/8 Monday- Kane still had his fountain pen draft without any typing having been done He rushed it along in the steno office and it was finished after I left my office 4.15

12/9 Tuesday Typewritten job in the hands of Hufflund received it 1 PM.
Surnamed by Chambers 2.30 PM

T

SPERRY SUN PH
TF CLG HOLD LINE PLS [illegible] Y SUN SF GARDY WI[illegible] 21
PE AMIC AGN PLS

Is operation cannot continue unless approval of [illegible] PEG to be will [illegible]

SPERRY SUN PH

THIS IS SF PEG

REPLYING TO YOUR TELETYPE MESSAGE ABOUT DMEA CHARGES AND ESTIMATION ON COSTS FOR BALANCE OF PHASE ONE OF THIS CONTRACT HAVE TALKED WITH MR GILBERT AND HE AGREES WITH THE FOLLOWING

TOTAL EXPENDITURES THROUGH OCTOBER 31, 1952	$88,809.04
EXPECTED EXPENSES IN NOVEMBER 1952	I 8,174.00
TOTAL EXPENDITRES END OF NOVEMBER 1952	96,983.04

$96,983.04
TOTAL INCLUDES ESTIMATED 1253 FETT OF UNDERGROUND DRILLING IF THE BALANCE OF THE ORIGINAL ESTIMATED 4000 FEET IS DRILLED AS PLANNED WE WILL DRILL 2747 FEET MORE AT PPROXIMATELY $5.83 PER FOOT OR AN ADDITIONAL AMOUNT OF DRILLING OF $16,015.01 16,015.01

TOTAL 112,998.05
AT APPROXIMTELY THE SAME RATE OF TIME CONSUMED IN DRILLING THE FIRST 1253 FEET IT WILL REQUIRE APPROXIMATELY 22 MONTHX BEGINNING WIHT DECEMBER 1,1952 TO COMPLETE ALL OF PHASE ONE OF THE CONTRACT

COSTS OVER AND ABOVE THE DRILLING COSTS CAN RUN AS MUCH AS $4000.00 PER MONTH THIS INCLUDES THE SALARIES OF THE MEN WHO ARE NEEDED AT THE MINE TO MAINTAIN THE DAY TUNNEL AND THE SALARY OF THE GEOLOGIST AND THE SUPPLIES ETC NECESSARY TO KEEP THE OPERATION GOING

22 MONTHS AT $4000.00 PER MONTH	10.000.00
TOTAL	1222
	122,998.05

IT WOULD THEN APPEAR THAT WE WILL NEED ABOUT $23,000 TRANSFERRED FROM PHASE TWO TO PHASE ONE.
I DID NOT CONTACT MR MILLER OR MR JOHNSON IN CONNECTION WITH CHARGING PART OF THE PRESNT WORK NEAR THE SHAFT TO PHASE TWO. IT WOULD SEEM THAT WE ARE IN NEED OF GREAT DEAL MORE THAN WHAT COULD BE OFFSET BY SWITCHING SOME OF THE CHARGES FOR WORK NEAR THE SHAFT TO PHASE TWO. IF YOU STILL THINK I SHOULD CALL THEM I WILL DO SO.
THE ABOVE FIGURES ARE INDEED ROUND ONES AND SHOULD BE CONSIDERED AS SUCH.
THE IGURE OF $4000.00 PER MONTH INCLUDES $2600.00 FOR SALARIES, $350.00 FOR DR STAPLES CONSULTING FEES AND EXPENSE AXN , ABOUT $1000,00 FOR PAYROLL TAXES, WORKMENS COMPENSATION, LIGHTS, TELEPHONE2 DIESEL FUEL FOR COMPRESSOR, ETC

IT DOES NOT INCLUDE FIGUDES FOR TIMBER TIMBER, RAIL AND OTHER LARGE ITEMS OF EXPENSE. IT IS MY OPINION THAT WE WILL NO HAVE ANYMORE OF THE LARGE PURCHASES OF THIS NATURE IN THIS PHASE OF HE WORK.
POSSIBLY THE DRILLING CAN BE COMPLETED SOONER THAN THE MIDDLE OF FEBRUARY. THIS WOULD REDUCE THE MAINTENANCE C

T

Sent by / [illegible]

12/3/52 gla

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DEC 3 1952

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DEC 2 4 26 PM '52
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
RMD - COMMUNICATIONS

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SANFRANCISCO CALIF 12-2-52 1253P

DEFENSE MINERALS EXPLORATION ADMINISTRATION

INTERIOR BLDG WA

RE PHONE CALL FROM F S SCHMIDT DECEMBER 1 CONCERNING CORDERO MINING COMPANY CONTRACT IDM-E64, DMA 1165X. FIELD TEAM APPROVES AMENDMENT BASED ON WILLISTON-S LETTER TO ME DATED NOVEMBER 24. FUNDS TO BE TRANSFERRED AS FOLLOWS.. IN PHAS 2 PLEASE DEDUCT $23,000 FROM THE ITEM OF SINK 600 FOOT SHAFT AT $78.46 PER FOOT /EXHIBIT D/ /TIMBER 31.14, LABOR 38.42, OVERHEAD AND SUPERVISION 5.50/. THIS $23,000 SHOULD BE TRANSFERRED TO ENTRY 1 OF PHASE 1 TO MAKE A TOTAL OF $47,954 AND THE CONTRACT SHOULD READ, "OPENING DAY TUNNEL IN EXCESS OF ORIGINAL 600 FOOT ESTIMATE AND FOR MAINTAINING THE TUNNEL OPEN WHILE DRILLING PROGRAM IS COMPLETED. UNFORESEEN EXPENSE REQUIRED BY MOVING AND HEAVY GROUND."

H C MILLER EXEC OFCR DMEA FIELD TEAM REG III

OA 1255P

DEC 3 10 49 AM '52

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D C

11/28/52 gla

CORDERO MINING COMPANY
57 POST STREET
SAN FRANCISCO 4, CALIF.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 28 1952

DOCKET COPY

November 24, 1952

Mr. H. C. Miller, Executive Officer
D.M.E.A. Field Team
Region 111
1012 Flood Building
870 Market Street
San Francisco 2, California

Dear Mr. Miller:

In connection with exploration project No. 1165X - Contract Idm-E-64 at Almaden it apparently will be necessary to have a formal amendment made to the contract if the exploration work provided for is to be completed.

As you will recall, the project is divided into two Phases, Phase 1 consisting of opening the Day tunnel and drilling areas A, B, C and D as recommended by the U. S. Geological Survey and Phase 2 which calls for sinking and drifting to explore more thoroughly any favorable indications uncovered by the diamond drill work. At the present time all of the surface diamond drilling has been completed within the estimates mentioned in the contract.

Insofar as the underground work is concerned, the Day tunnel has been opened and the diamond drilling on one of the recommended areas underground is approximately complete but the drilling on the second recommended area in the vicinity of the Santa Rita shaft has not commenced although we are ready to start at almost any time.

As of October 31st, $88,809.04 has been expended. During the month of November it is estimated that $8,174.00 will be expended, making a total expenditure at the end of November of $96,983.04 or something rather close to that figure. The total amount of money allocated to Phase 1 is approximately $101,000. This leaves only $4,000 available in Phase 1 which would probably carry the work to some point between the 10th and 15th of December.

Insofar as the surface drilling is concerned, our estimates corresponded closely with eventual costs; insofar as our underground costs are concerned, the diamond drilling will remain within the drilling estimates but, as you know, the cost to reopen the Day tunnel was greater than we expected. The amount of tunnel which had to be opened by spiling (a slow and laborious method) was more than twice, almost three times what we had been led to expect.

November 24, 1952

Mr. H. C. Miller, Executive Officer
D.M.E.A. Field Team

If we are to complete the work and if all of the footage authorized in the contract is used on the underground work, it will take us approximately 2½ months from the beginning of December, or until February 15th, to complete the project. The total cost for this 2½ month period, including the drilling as well as the maintenance of the underground, will run to approximately $26,000. Allowing for the first ten days or two weeks which are accounted for with the balance of the present Phase 1 money remaining, we will need a maximum of $22,000 or $23,000 to complete the work.

I estimate this as a maximum since there seemed to be no unforeseeable underground problems and the only uncertainty is the length of time which it will take for the drilling contractors, Boyle Brothers, to complete their work. It also may not be necessary to use all of the balance of the diamond drill footage to thoroughly test the underground objectives set by the Geological Survey. In the event this occurs, all of this money will not be expended but whether it will or not will depend upon the joint decisions of Mr. Bailey of the Survey and Dr. Staples.

We are willing to carry out our end of the contract and complete the work but if D.M.E.A. is not willing to advance their share of the money then much of the money already expended in reopening the Day tunnel can be considered as wasted.

If D.M.E.A. is not willing to contribute their share of the additional expense, we will terminate the work as soon as the total amount provided for in Phase 1 has been expended.

In the event that you and Mr. Bailey are willing to recommend this alteration, I feel that Washington will have no objection and they will endeavor to complete the details prior to the 10th or 15th of December at the latest.

Very truly yours,

S. H. Williston

SHW/t

cc: Mr. F. Somers Schmidt
D.M.E.A., Washington, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 24 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.

November 20, 1952

Mr. J. Eldon Gilbert, Manager
Cordero Mining Company
57 Post Street
San Francisco 4, California

Re: Docket DMEA 1165X (Mercury)
Cordero Mining Company
Contract Idm-E64
New Almaden Mine
Santa Clara County, California

Dear Mr. Gilbert:

Dr. L. W. Staples has discussed with Mr. E. H. Bailey of the Geological Survey the problem you have in preserving all of the cores from the surface diamond drill holes put down at the New Almaden Mine under DMEA Contract Idm-E64, and Mr. Bailey in turn has discussed the matter with me.

I appreciate your desire to keep the project costs down by reusing the core boxes for the cores obtained from the underground drilling. It is my understanding that the cores have been logged in detail by your geologists and checked by members of the Geological Survey. If you are preserving representative samples of all kinds of rock encountered and all mineralized portions of the core, I see no necessity for you to keep the remainder of the core. This letter will serve as your authorization to discard parts of the cores as outlined above.

Sincerely yours,

H. C. MILLER

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

Copy to: DMEA, Interior Bldg., Washington 25, D. C.
E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

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

Date: Nov. 13, 1952

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 1165X

Contract Idm-E 64

Commodity Mercury

Operator - Cordero Mining Co.

Property - New Almaden Quicksilver Mine
Santa Clara County, California

By John D. Warne

Dated Nov. 4, 1952

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

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

INTERIM REPORT

Docket No.: DMEA-1165X Nov. 4, 1952

Name and address of operator: Cordero Mining Co.,
67 Post Street
San Francisco 4, Calif.

Name and location of property: New Almaden quicksilver mine
10 miles south of San Jose, Calif.
Santa Clara Co., Calif.

Contract No.: Idm-E64

SUMMARY AND CONCLUSIONS

This project was visited on October 22, 1952. The work at present consists of opening a crosscut leading from the Day tunnel to the Santa Rita shaft. This crosscut is now open for a distance of about 270 feet from the Day tunnel; and an additional 30 to 40 feet of progress will be required to reach the shaft. In addition, holes are being diamond drilled from a station in the Day tunnel located about 2,500 feet from the portal. The second hole from this site (No. UGS 2) had progressed to a depth of 85 feet at the time of this inspection.

Underground rehabilitation work and diamond drilling is being conducted in a satisfactory and workmanship like manner.

RECOMMENDATIONS

Work is reported to be planned by geologists of the Cordero Mining Co. and the U. S. Geological Survey, Maps and sections showing locations of proposed drill stations, drilling objectives, and progress should be made available to aid in inspecting work done in connection with this contract.

WORK COMPLETED

A total of 2,700 feet of rehabilitation work in opening the Day tunnel to a point about 2,500 feet from the portal, and in opening a crosscut leading from the Day Tunnel to the Santa Rita shaft was accomplished by September 2, 1952. An aggregate of 5,081 feet of diamond drilling were completed during the same period.

Rehabilitation work was being done in the crosscut leading from the Day tunnel to the Santa Rita shaft at the time of this inspection. About 30 to 40 feet additional reopening work will be required to reach the shaft.

The following underground diamond drilling work has been done:

Hole No.	Bearing	Inclination	Length
UGS-1	S 70° E	-75°	114 feet

Remarks: Drilled 10/2-10/52, no mineralization encountered, about 95% core recovery estimated by resident geologist.

UGS-2	N 80° W	-45°	85 feet

Remarks: Drilling still in progress, no mineralization encountered to date.

GENERAL COMMENTS

More complete information regarding the progress and immediate objectives of the project work should be supplied by the operator. A progress map showing the locations of underground rehabilitation work, drill holes completed and locations of future drilling sites would be helpful in following this project.

A satisfactory type of work is being done in reopening underground workings; and a high core recovery (nearly 100%) is reported on the underground diamond drilling.

CHECK SAMPLING

No mercury mineralization has been encountered to date by the diamond drilling work; no check samples were taken.

John D. Warne

John D. Warne
Mining Engineer

Sas

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

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.

November 7, 1952

Mr. J. Eldon Gilbert, Manager
Cordero Mining Company
57 Post Street
San Francisco 4, California

Re: Docket DMEA 1165X (Mercury)
Cordero Mining Company
Contract Idm-164
New Almaden Mine
Santa Clara County, California

Dear Mr. Gilbert:

It is requested that in all subsequent monthly reports which you submit in connection with the above-captioned contract, that you kindly include, in addition to your narrative statement, a progress map, showing the intervals of workings rehabilitated and the locations of holes completed during the reporting period.

As at present, your monthly reports show only the aggregate footages of rehabilitation and drilling work submitted for payment and do not indicate the specific intervals of drifting or drill holes accomplished. Therefore, our engineers cannot determine the quantity of work accomplished during the time interval between your report and our engineer's inspection of the project, or the total progress of the work relative to the contract.

We believe that the size and cost of your project is such that engineering maps and records adequate to permit our engineers to follow its progress and objectives are warranted. Your cooperation in making the requested material available to us will be appreciated.

Sincerely yours,

H. C. MILLER

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

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

Aos

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

Washington 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

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

October 7, 1952

Mr. J. Milton Gilbert, Manager
Cordero Mining Company
57 Post Street
San Francisco, California

Re: Docket DMA 11052 (Mercury)
Cordero Mining Company
Contract Tum-04
New Almaden Mine
Santa Clara County, California

Dear Mr. Gilbert:

An examination of your contract indicates the impracticability of requiring complete documentation of the costs incurred as reported on Form MF-104 (Rev.) and 104A, Monthly Progress Reports. Therefore, consistent with authority delegated the Executive Officer, DMEA Field Team, Region III, we hereby waive the requirement for you to provide documentary support of the monthly report, except for support of equipment purchases.

In lieu of documentary support of the monthly report, G. Mavor, Auditor, Contract Administration and Audit Division, DMEA, will make interim audits of your records, and will make a final audit on completion or termination of the contract before the final report is processed for payment.

Sincerely yours,

H. C. MILLER

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

Copy to: DMA, Interior Bldg., Washington 25, D. C.
Jay L. Chambers, DMA, Interior Bldg., Washington 25, D. C.
C. C. Bailey, DMA
G. Mavor, DMA, San Francisco, Cal.
A. C. Johnson, DMA, Reno

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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SEP 8 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Office of
Executive Officer
DMEA Field Team
Region III

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

Date: September 4, 1952

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 1165X

Contract Idm-E 64

Commodity Mercury

Operator - Cordero Mining Company

Property - New Almaden Mine
Santa Clara County, California

By Russell R. Trengove

Dated August 29, 1952

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

Attachment

Copy to: Finance Officer, Region III (with one copy of report)
E. H. Bailey, USGS (with one copy of report)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 1952

INTERIM REPORT

Docket No. DMA-1165X (mercury) August 29, 1952

Name and address of operator: Cordero Mining Co.,
67 Post Street
San Francisco 4, Calif.

Name and location of property: New Almaden Quicksilver Mine
10 miles south of San Jose, Calif.

Contract No.: Idm-E64

SUMMARY AND CONCLUSIONS

This property was visited on August 27, 1952. The Day Tunnel reopening broke through into the open on Aug. 26, 1952, 1600 feet from the portal, an advance of 130 feet since July 29, 1952. The work at present consists of cleaning up about 250 feet of drift, laying track and pipe to a point where the Day Tunnel is plugged by a cave from a raise. Advancing through this caved material will require spiling.

The crosscut to the Santa Rita shaft and beyond is also caved about 350 feet from the Day Tunnel.

It is impossible at present to estimate just when the proposed drilling sites will be accessible.

RECOMMENDATIONS

None.

WORK COMPLETED

1,600 feet of reopening the Day Tunnel.
5,081 feet of diamond drilling costing $31,220.16

No ore was encountered in this drilling from surface.

Russell R. Trengove

Russell R. Trengove
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

AUG 18 1952

Office of
Executive Officer
DMEA Field Team
Region III

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

Date: August 13, 1952

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 1165X

Contract Idm-E 64

Commodity Mercury

Operator - New Almaden Mercury (Cordero Mining Co.)

Property - Santa Clara County, California

By Russell R. Trengove

Dated August 1, 1952

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

Attachment

Copy to: Finance Officer, Region III (with one copy of report)
E. H. Bailey, USGS (with one copy of report)

A. C. Johnson, Chief, Mining Div., Reg. III August 1, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

New Almaden Mercury (Cordero Mining Co.) - Contract Idm-X64
Docket DMA-1165X

This property was visited on July 29, 1952. It was previously visited on May 23, 1952. Since that time the diamond drilling from surface was terminated and equipment and crews returned to Salt Lake City, Utah.

Re-opening the Day Tunnel has continued on a two-shift basis and on July 29, 1952, the total advance was 1,470 feet or an advance of 120 feet since May 25, 1952. Progress has been slow because of heavy ground requiring spiling. Drainage water continues about the same and is coming from near the floor of the tunnel.

Work completed:

5,081 feet of diamond drilling costing $51,220.16
1,470 feet of reopening Day Tunnel

No ore was encountered in the drilling from surface.

The Bureau engineer has no recommendations for improvement of operations, changes in project or target or amendments to contract.

Bert Mitchell, who is in charge of the reopening of the Day Tunnel, is of the opinion that probably another 50 feet of advance will require spiling and timbering before reaching the open workings. Then, no doubt, considerable cleanup work will be required before the drill crews will be able to transport the drill equipment to the proposed drill sites.

Russell R. Trengove

Russell R. Trengove

FILE COPY
SURNAME:
700

Schmidt
Ellis
Carlone
Johnson
Mittendorf

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

JUL 31 1952

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

Re: Docket [illegible]-1165[illegible] (Mercury)
Contract [illegible]-64
Cordero Mining Co.

Dear Mr. Miller:

This is in reply to your letter of June 2[illegible], 1952, asking for instructions concerning a requested amendment of the above captioned contract which is divided into Phase 1 for $101,112.[illegible]0 and Phase 2 for $9[illegible],16[illegible], in order to supply additional funds to complete the work of Phase 1 of reclaiming the Bay Tunnel. In view of the fact that there is $29,69[illegible].[illegible] still unspent in Phase 1, and since it is actually more than requested for completion of the tunnel work, and since the estimate of $25,000 to complete 400 feet of tunnel as per letters of Williston June 16 and July 8, 1952, is liberal, it would appear that this balance of $29,69[illegible].[illegible] should be ample to complete the tunnel, and also to some drilling. After the funds available in Phase 1 are exhausted, the use of funds from Phase 2 can be considered together with an amendment of the contract for that purpose.

It is recognized that unless the Bay Tunnel work is completed, that the $29,282.00 spent on test job to date will have been wasted and also the drilling of areas A and B as planned, depends on the completion of the tunnel work. It is noted that the Field Team recommends the completion of the tunnel rehabilitation. It is therefore recommended that the contract be not amended at this time, but that you continue to approve necessary funds for the performance of the work within the total estimated amount for Phase 1, and until it appears that further funds are required.

The contract is dated July 18, 1951, and the time for completion is given in article 3 as two years. The time given for completion of drilling areas A and B as well as the time for opening the Bay Tunnel in Exhibit "A" are merely estimates subdividing the two year time commitment made in the body of the contract. Therefore no amendment of the contract will be necessary for this reason at this time.

Sincerely yours,
(signed) FRANK E. JOHNSON
Chairman, Operating Committee

Concur: J. H. Hedges (HB)
Member, Bureau of Mines

T. P. Thayer (HB)
Member, Geological Survey

FSSchmidt/jem
7/28/52
Adm.Reading
Docket
J.M.Meyer
E.T.McKnight-2623
Ellis Schmidt-4204
Oper. Com. Field Team, Region III

A.N.
7-31-52

Memo Schmidt for Files 7/25/52

Cordero Mining Co Contract Idm E 64 DMA 1165 x

Contra ct in two phases

1st- $101,112.00
2nd 99,716.00

The first phase includes drilling areas A and B from surface and reopen Day Tunnel, and drill areas C a nd D from the tunnel, when opened to p roper point. The drilling of A and B from the surface have been completed with unsatisfactory results. The surface drill has been removed from the property.
The Day Tunnel is partly reclaimed to 1429' (letter Williston 7/8/52)
There is a total of 1750 feet to go (letter Williston 6/16/52)
No drilling of C and D areas has been done. It is requested by operator that since the cost of opening the tunnel is greater than estimated, that $ 25,000 be taken from phase 2 to complete the tunnel which is necessary to drill C and D areas. Phase 2 is intended to explore underground, such showings as have been exposed by the drilling and tunnel work of phase 1. Phase 2 will not need any money unless phase 1 discloses the presence of ore.
Letter from Miller 6/27/52 " Our engineers agree that completion of the reopening of the Da y Adit is necessary."

The amount of money used of phase 1 as of 7/23/52, by teletype from Regional office Miller, shows $71,414.00 leaving $29,698.00 on hand. No money has been spent of phase 2. There is more money on hand than the $25,000 requested. The request for $25,000 seems very liberal for the purpose of clearing 400 ft of tunnel. See ta bulation of costs of tunnel footage accompanying letter of Williston 7/8/52. Williston wants to figure the highest possible cost for this remaining 400 feet.

I take the position that unless this tunnel is completed, the money spent $29,282.00 in getting part way will have been wasted. That so long as money is available in phase 1 that it be used to complete the tunnel work. The items in phase one are not starred. Chambers and Rubin agree to the interchange of money from one item to another in this phase 1. When the tunnel is finished which may cost a very small pa rt of this balance, such drilling of C and D areas can be done as the funds permit. After that with favorable recommendations from the Field Team ~~ak~~ the question can be considered of taking money from phase 2 by an amendment. It takes

a recommendation by the Field Team to make funds of phase 2 available

The p rice of quicksilver or the geological conditions when the phase 1 money is exhausted may cause the Field Team or the applicant to desist from further expenditures.

It is therefore recommended that no a mendment be made to the contract, as suggested by Miller, but that a letter of instruction be written to him to use the remaining funds of pha se 1 to carry out the purpose of that phase work.

This is now being done and illustrates the benefit of not having these items in phase 1 starred which would require an amendment.

Sch.

7/24/52 gla 30

OT

460 WA SFS /I-BOM/

SAN FRANCISCO CALIF 7-23-52 1128A

DEFENSE MINERALS EXPLORATION ADMIN /SCHMIDT/

INTERIOR BLDG., WA

RE DOCKET DMA-1165X /MERCURY/ CORDERO MINING CONTRACT E64. FOLLOWING AMOUNTS ARE REPORTED BY THE COMPANY AS HAVING BEEN SPENT TO DATE UNDER PHASE ONE OF THE CONTRACT.

OPENING DAY TUNNEL	$29,282
RENTAL OF EQUIPMENT	NONE
PURCHASE OF EQUIPMENT	7,231
GEOLOGIST	3,681
DIAMOND DRILLING	31,220
ACCOUNTING	NONE
TOTAL	$71,414

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 24 1952

H C MILLER, EXEC OFCR, DMEA FLD TEAM REG III

DMA-1165X E64 $29,282 7,231 3,681 31,220 $71,414

AM 1132A

This is in reply to my phone request

Sch. 7/28/52

JUL 24 8 53 AM '52
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

7/16/52 gla

U.S. DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1952

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.

Air Mail

July 14, 1952

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA 1165X (Mercury), Cordero Mining Company, New Almaden Mine, Santa Clara County, California Exploration Project Contract Idm-E64

Reference is made to a recent telephone call from the Washington Office, requesting additional information on the Cordero Mining Company's application for an amendment to its exploration contract.

In response to the request, I got in touch with Mr. S. H. Williston, Vice President, Cordero Mining Company and a copy of his letter, dated July 8, giving answers to the questions raised in the Washington Office is attached.

Information requested but not given in Mr. Williston's letter is that it will be satisfactory to the Company to extend the time for completing Phase One six months and for Phase Two twelve months from the date of the amendment.

Mr. Williston was informed that if the contract time is extended, the Company will have to take care of the increased cost of supervision. This he agreed to do.

If any further information is needed we will be glad to get it upon request.

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

Attachment

Copy to Mr. E. H. Bailey, USGS

CORDERO MINING COMPANY

703 Mechanics' Institute Bldg.
57 Post Street
San Francisco 4, California

C
O
P
Y

July 8, 1952

Mr. H. C. Miller, Executive Officer
DMEA Field Team
Region 111
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: DMEA Exploration Project
Contract Idm-E-64
New Almaden Mine
Santa Clara County
California

Dear Mr. Miller:

In connection with our telephone conversation I might give you a resume of the Almaden situation.

As you know, the project involved the drilling of the United States Geological Survey's recommendations. These recommendations were the result of a long period of geological study of the problem.

We drilled Area A and encountered unexpected faulting. We also drilled a westward extension of Area A. None of these holes gave any indications of ore.

We drilled Area B and also an eastward extension of Area B. The geology was about as expected but there were no indications of mineralization. All hole locations were based on Survey work and agreed to by the Survey representatives and abandoned with the approval of the Survey.

We then drilled two holes in the vicinity of the American Shaft. where our own geologist, Dr. Staples, and Dr. Bailey of the USGS, agreed that there was good possibility of finding ore. The geology was encouraging but no indications of ore were found. At the conclusion of these holes the surface drilling was discontinued and the surface drill removed from the property.

The Survey apparently feels that there is no further use in drilling from the surface and in these areas and had no suggestions to make as to other surface areas which might be explored.

All of the expenditures on A and B, together with the expenditures
? in the American Shaft work, came within the estimates for surface work set out in the proposal.

The other half of the project involved the reopening of the Day Tunnel and the drilling of localities of C and D from underground. When we made the estimates and the proposal for the reopening of the Day Tunnel all information available indicated that considerable

parts of the Tunnel should be open. Reports from reliable sources indicated the whole Tunnel was opened as little as two years ago. The Tunnel was in much worse shape than believed possible and our time estimate has not been fulfilled although, by the utmost economy and by making no charges for a good deal of material and equipment supplied by Cordero Mining Company, we have extended the money so far as possible.

For the first nine months of exploration work at the New Almaden Mine the direct costs for reopening 1370 feet of Day Tunnel have been about $35,000.00. Overall, this gives a cost of $25.40 per foot. However, different parts of the Tunnel were reopened at much greater cost than other parts. For example, during the first three months 510 feet were reopened at a cost of $25.60 per foot, during the second three months 640 feet were reopened at a cost of $16.20, and during the three months of March, April and May only 220 feet were reopened at a cost of $51.20 per foot. During the month of April, when only 85 feet were reopened, the cost was $70.00 per foot.

You can see from the above figures that it is extremely difficult to estimate the cost of reopening the remaining 400 feet of tunnel. If it can be reopened at the best rate we have had so far it will cost about $16.00 per foot or about $6,500.00. However, if the costs run as they did during the worst three-month period, it will cost about $20,000.00 and if conditions are extremely bad and costs run as they did in April, when they were $70.00 per foot, it will cost $28,000.00 to reopen the Tunnel.

In requesting an amendment to the contract in our previous letter, we suggested that $25,000.00 be transferrred from the second phase to the first phase. If the balance of the Tunnel is as bad as the worst we have encountered so far, the cost might reach this amount. On the other hand, as I said in the letter, we hope it might be accomplished for much less.

We have the best underground men in the employee of the company on this job and they are making the best progress which safety will permit.

The average cost per month, including all charges attributable to the reopening of the Day Tunnel, to the end of May averaged $3872.09, which covered six days a week for two shifts.

If, in place of the $25,000.00 transfer from the second phase to the first phase, you would rather approve a $3900.00 per month monthly charge cancellable on thirty day's notice, we would have no objection. If you do not wish to approve either of these then we would suggest that the contract be cancelled and locations C and D not drilled. Quite candidly, the results of exploration to date

have not been such as to interest us in completing the work entirely at our own expense, especially in the light of the recent $35.00 reduction in mercury prices announced by the Spanish producers.

I am enclosing a tabulation showing monthly progress on the Day Tunnel, costs, cost per foot, total footage, total costs and cumulative costs per foot. In the event the contract is cancelled at the present time some $40,000.00 expended in reopening the Tunnel will have been wasted and of the original project, all of the second phase and all of the drilling costs on C and D will be returned.

Although the charges for June are not completed, at the end of June we had reopened 1410 feet, or a total of 40 feet for the month which will probably run in the neighborhood of not far from $100.00 per foot. This is the worst to date, although in the early part of July the ground was opened up somewhat and as of today we are 1429 feet in, which, counting the July 4th shutdown, is an average of 3 feet a day. Whether this will continue or whether we will again hit a bad plug we have no idea.

Very truly yours,

/s/ S. H. Williston
S. H. Williston

SHW:L
Enc.

cc - Dr. E. H. Bailey

1750' Total
1429'
321' to go

COPY

NEW ALMADEN MINE

Hole No.	Date	Progress	Cost	Cost per foot	Total footage	Total cost	Cost per foot	
1	Aug.15-Sept. 30, 1951	100	3743.24	37.43	100	3743.24	37.43	)
2	Oct. 31, 1951	200	5000.20	25.00	300	8743.44	29.10	)
3	Nov. 30, 1951	210	4311.86	23.50	510	13055.30	25.60	) 510' at 25.60
4	Dec. 31, 1951	155	3917.22	25.15	665	16972.52	25.30	)
5	Jan. 31, 1952	255	3982.77	15.55	920	20955.29	22.80	)
6	Feb. 29, 1952	230	2456.94	10.65	1150	23412.23	20.20	) 640' at 16.20
7	Mar. 31, 1952	65	2575.63	39.60	1265	25987.86	20.50	)
8	April 30, 1952	85	5941.91	70.00	1300	31929.77	24.50	)
9	May 31, 1952	70	2919.05	41.75	1370	34848.82	25.40	) 200' at 51.20
		1370						
			34848.82					
	Average		3872.09					

These costs do not include diamond drilling, resident geologist nor consulting geologist fees.

D. M. E. A.

J. L. Chambers
3461 2612

14E3923.970 Working Fund, DMEA
July 10, 1952

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

Reurtel 7-9-52. DMEA labor policy is to follow that of the contracting company established prior to the date of the contract. Only the rate of labor comes within the contractual limitations. The number of men used may vary in accordance with the approval of the Executive Officer. See Question No. 1, Operating Committee Memorandum No. 8, issued June 25, 1952. Supporting payroll should show vacation time for those on vacation. Of course, the amount allotted to the project will eventually control the number of employees and other expenses.

(Signed) E. D. Talbert

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
July 10, 1952

Copies to: DMEA Mails & Files
Admr. Reading File
Mr. Chambers

M

259 WA SFS /I-BOM/

SAN FRANCISCO CALIF 7-9-52 1128A

JAY L CHAMBERS,

DEFENSE MINERALS EXPLORATION ADMIN, INTERIOR BLDG WA

CORDERO MINING COMPANY DOCKET DMA-1165X /MERCURY/ CONTRACT IDM-E64, STARTING DATE AUGUST 1, 1951, HAVE AN ESTABLISHED POLICY OF GRANTING THREE WEEKS LEAVE WITH PAY TO ALL EMPLOYEES COMPLETING ONE CONTINOUS YEAR OF SERVICE. IN GRANTING LEAVE TEMPORARY REPLACEMENTS ARE HIRED TO FILL POSITIONS, THEREBY SHOWING OVERLAP ON NUMBER OF EMPLOYEES IN PAY STATUS. WE ARE ADVISED SOME EMPLOYEES ARE NOW ON LEAVE. PLEASE ADVISE AUDIT ACTION IF ANY TO BE TAKEN.

H C MILLER, EXEC OFFCR, DMEA FLD TEAM REG III

DMA-1165X IDM-E64 1 1951

AM 1132A

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 10 1952

7/8/52

The amendment herewith proposed is not for the sole benefit of the operator but for the benefit of the projedt. The Da y tunnel is now ~~in~~ open 1135 feet and has 400 feet more to go. The money allotted to this work of reclaiming the Da y tunnel is nearly exhausted. If it is not completed, all the money spent on it ~~amounting to~~ will have been wasted. ~~The Field Team agrees with this.~~ The Da y tunnel is not only intended for exploration workings but also to provide a take off for diamond drilling.

The reclaining of this Da y tunnel is not in general a good exploration project, ~~but it was part of the original contract~~ and unless it is completed to its objective the money spent on it to date is wasted.

The last financial statement is for the month of March, shows item "drifting", units 1215 ft ~~xxxxxxxxxxxxxxxxxxxxxxxxxx~~ ~~which probably means~~ feet of the tunnel which might have been listed as rehabilitation. The amount is $2575. Total amount allotted is $24,954 ~~in contract phase 1 is $24,954~~

Williston in his letter of 6/16/52 says at the present time they are in over 1350 ft, and still have some 400 ft to go. He says ~~we~~ they have almost ~~reached the estimated~~ expended the total allotted for the Da y Tunnel reopening. The amount allotted ~~to opening the tunnel~~ in Phase 1 is for only 600 ft of ~~spiling~~ caved tunnel. They ~~must have~~ thought ~~the rest of the 1750 feet were not caved.~~ His letter ~~admits~~ states that ~~the~~ the deterioration of the tunnel was greater than they had thought.

~~He does not give the figures of~~ money expended to date for Phase 1 in addition to the ~~$24,954 for the reopening of the Day Tunnel, includes~~ such as drilling in areas A and B. The drilling of C. and D. can only be done after the tunnel is opened, ~~and~~ the total for Phase 1 is $101.112

Phase 2 would not go into operation until the tunnel is opened, and involved sinking a shaft 600 ft, and drifting 900 ft, If the drilling done under phase 1 does not show any ore, then phase 2 would be abandoned. Therefore phase one determines whether there is to be a phase 2 The cost of phase 2 is $99,716 It is all underground work for the purpose of exploring the findings of phase 1 drilling. and tunnel work

The money for phase 2 is all in tact, and the applicant having spent all his money ~~for~~ phase 1 tunnel item

is still 400 feet from his objective, namely certain old workings. ~~Phase 2 is useless with~~ out the ~~completion of this tunnel and~~ Unless this tunnel work is completted the money spent to date close to $24,954 will have been wasted. and without the tunnel certain ~~points from~~ locations which drilling of areas C and D would not be available. for drilling C & D. ~~Applicant wishes to use~~ up to ~~$25,000 to complete the tunnel the funds to be taken from phase 2 which phase 2 is largely dependent on completion of phase 1.~~

~~The funds of phase~~ which total $99,716 and ~~are all in tact. and~~ It is ~~figured that this $25,000~~ may be more than needed. Since phase 2 would be useless without completion of phase 1 and since the $25,000 borrowed from the $99,716 will not cripple it unduly, it would seem that ~~there is nothing~~ the proposal be considered favorably no other decision to be made.

It is only fair to ~~take consideration of~~ note the statemenst made by the applicant that while the contract, phase 1, allowed for $408 per month for equipment rental making a total of $2,448. that the applicant has submitted no rental or depreciation figures even though he has supplied without charge considerable equipment which he has listed. He states that almost without exception every penny of the Government participation has been spent on actual exploration.

In view of the fact that the money is available in phase 2, and that the field team recommends the completion of the Day tunnel job, as stated in letter by Executive officer H.C. Miller, and in view of the loss that would occur if the work were not completed, and that phase 2 with the drilling of areas C and D could not be accomplished, it is recommended that the contract be amended so as to permit the reduction of funds for phase 2 by $25,000 for the purpose of completing the Day tunnel job with the understanding that any finds not used for the completion of this job be returned for the work planned under phase 2.

Since one year has expired since this contract was written July 1, 1951 and since this tunnel was to have been rehabilitted in 6 months it will be necessary to extend the time of completing phase one by 6 months and phase 2 by another year making a total of 18 months from the present.

Provision should be made that the cost of superintendence will not be also exceed the original estimate due to the increased time.

The expenditres ~~up to date~~ and the accomplishment of work for the money ~~and the narrative should be brought up to date~~ as of the time of this amendment.

Yukon 5800

Telephone to McMillan 7/2/52

Do the "25,000 to be used for anything more than the 400 ft tunnel. Or is too high.

Want Reports to date.

Money spent accomplished - manhours

Supervision

Time 6 mos from now + 1 year for Phase 2 = 18

13800 17
400 | 25000
6

6/17
5/26 -
April 21

Office of
Executive Officer
DMEA Field Team
Region III

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

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

June 27, 1952

Air Mail

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Exploration Project Contract Idm-E64 (Mercury)
Docket DMA-1165X - Cordero Mining Company, New Almaden Mine, Santa Clara County, California

We have another request for an amendment to a contract, which I do not know how to handle, or maybe it is just that I am afraid to handle it after receiving your June 23 letter, subject: Contract Amendments Executed by the Executive Officers. Anyway, Cordero Mining Company has requested another amendment that involves certain things that I am not certain I can handle properly.

A copy of the Cordero request, dated June 16, is attached. Our engineers agree that completion of the reopening of the Day Adit is necessary. What bothers me, however, is whether funds to do the completion job can be taken from Phase II of the project.

If it is permissible to do as Mr. Williston suggests, how should the amendment be worded?

In drawing up the amendment, provision also should be made to extend the time of completion of the reopening of the Day Tunnel, which already has taken longer than allowed by the contract. On the first page of Exhibit "A" 7th paragraph, it is stated, "The reopening of this tunnel will be started within thirty days of the signing of the contract and should be completed within six months thereafter."

Any help you can give me on the drawing up of this amendment will be appreciated.

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

Attachment
Copy to: E.H.Bailey,USGS

COPY

CORDERO MINING COMPANY

57 Post Street
San Francisco 4, California

June 16, 1952

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

Re: DMEA Exploration Project
Contract Idm-E64
New Almaden Mine
Santa Clara County, Calif.

Dear Mr. Miller:

In our original exploration contract for the New Almaden Mine we contemplated drilling the recommendations of the United States Geological Survey in accordance with their published report. Proposal involved the drilling of two surface areas and two underground areas, the latter drilling to be done on the completion of the Day Tunnel.

We have drilled the two surface areas and stretched the surface drilling appropriation to also cover two auxiliary Survey locations and two joint locations of Cordero and the Survey without going over the allotted amount.

On the other hand, the deterioration of the Day Tunnel was much greater than those familiar with the property had believed possible. At the present time, we are in over 1350 feet on the Day Tunnel and still have some 400 feet to go. We have almost reached the estimated total allotted for the Day Tunnel reopening.

We have not as yet spent any money allotted for underground drilling of locations C and D. Neither have we used any of the, roughly, $100,000 allotted for underground exploration.

We would like your approval to transfer, preferably from the underground exploration quota, a sum not to exceed $25,000, for the completion of the reopening of the Day Tunnel. We hope that it will not cost more than a fraction of this since the Tunnel is showing some indication of opening up. Unless you are willing to do this, the money expended in reopening the Day Tunnel to date has been wasted and we will be unable to drill the Survey locations C and D.

I might add that in the original proposal we suggested the renting of certain equipment. We have not submitted any rental or depreciation figures on the project, even though we have supplied without charge a 365 cubic foot Diesel driven compressor, cat tractor, passenger cars and trucks, and also minor mining equipment such as mine cars, gasoline chain saw, compressed air saw and other numerous miscellaneous supplies. To

date, almost without exception, every penny of the Government participation has been spent on actual exploration and nothing to speak of on equipment. Even though the equipment was necessary it was supplied by us without including the charge in the totals.

In connection with the underground drilling after the completion of the Day Tunnel, we hope to complete the testing of C and D and, in addition, one and possibly two other underground possibilities without exceeding the underground drilling allotment.

Upon completion of the Day Tunnel and the underground drilling, I think we will have pretty well exhausted the recommendations of the Geological Survey.

Unless the last surface hole or these underground locations prove promising we will probably return in excess of $75,000 of the original project unless the Survey's geologists and/or our own geologists can come up with a new program.

Very truly yours,

/s/ S. H. Williston

SHW:L

CC - Dr. L. W. Staples
Mr. E. H. Bailey

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.

April 17, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1165X, Exploration Project Contract Idm-E64, New Almaden Mine, Santa Clara County, California, Amendment No. 2.

Attached is the original and three copies of Amendment No. 2, dated April 14, 1952, to the above-captioned contract.

Permission to drill the two diamond drill holes was requested by the company following a discussion of the exploration program by Dr. Staples of the company and Mr. E. H. Bailey of the Geological Survey.

The operator has retained his copy of the amendment and one copy is being sent to our field engineers at Reno. The finance officer's copy is expected from you shortly.

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

Attachment

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

FILE COPY
SURNAME:

Ellis
Mittendorf

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

December 5, 1951

MEMORANDUM

To: Mails and Files Branch

From: Ernest Wm. Ellis, Acting Chief
Rare and Misc. Metals Div.

Subject: Copy of amendment of Exhibit A
Docket No. DMA-1165X, Idm-E64
New Almaden Mine
Santa Clara County, California

Enclosed for recording in your office is a copy of amended Exhibit A to the Fxploration Project Contract between the operator named in the above reference and the Government of the United States.

Attachment

ce 12/7

EWEllis/jem

cc to: Adm. Reading File
Mails and Files Branch
Mr. Mittendorf
Mr. Ellis
Docket

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

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

Office of
Executive Officer
DMA Field Team
Region III

November 7, 1951

Amendment to Exhibit A

Mr. S. H. Williston
Vice President
Cordero Mining Company
708 Mechanics Institute Building
57 Post Street
San Francisco 4, California

Re: DMA Exploration Project Contract Idm-E64
New Almaden Mine (Mercury), Santa Clara
County, California - DMA-1165X

Dear Mr. Williston:

I acknowledge your letter dated October 31, informing me that you find it difficult to carry out the authorized exploration work at the New Almaden Mine as it applies to wage rates.

It is known that the Wage Stabilization Board in certain instances is approving increases in the wages paid to miners, and that the allowed increases gradually filter through to miners of all kinds. I appreciate also that in a contract extending over a long period of time it is impossible to set down a definite wage rate that would hold throughout the life of the contract. It is agreeable, therefore, that your contract be amended to provide for skilled miners "up to $2.00 per hour".

Your statement made to me over the phone that you are working in tricky ground, that the highest type of supervision is needed at all times lest you lose what work already has been done, and that your foreman and superintendent both are working men engaged in actual mining operations, has been verified by our examining engineers and geologists. It is understood also that not only are better than average miners needed on your operation, but that the services of an exceptionally skilled working foreman and working superintendent are essential. Accordingly, approval is granted that you pay your foreman (shift boss) "up to $500 a month", and your working superintendent "up to $600 a month" with the understanding that you intend to pay them only that amount up to those figures that is necessary to keep them.

Your contract permits you to spend $7,000 for the services of a geologist under phase 1 and a similar sum under phase 2. Inasmuch as your contract runs for a period of two years, I see no reason why you should not, as you suggest, interpret the provisions for geologist "as a total of $7,000 to be expended in any one year".

It is understood, of course, that the above approval to change your contract, as outlined, shall not be construed to increase the estimated total cost of theproject, 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
DMA Field Team, Region III

Copy to C. O. Mittendorf (3)

COPY

A. C. Johnson, Chief, Mining Div., Reg. III Oct. 19, 1951

Russell R. Trengove, Mining Engineer

New Almaden Mercury (Cordero Mining Co.) DMA-1165X; Contract I-DMA-E64

This property was visited on October 15, 1951. The progress, since work was started on August 16, 1951, is as follows:

Diamond drill hole No. 1 - 394 feet, completed - no ore
" " " " 2 - 53 feet, incomplete - no ore
Driving Day Tunnel - About 150 feet

The following comments on the above work are probably of no concern to the Bureau of Mines:

Drilling is performed with one machine, working two shifts. Progress is slow because of caving ground. If the bit goes too far below the casing, the hole caves, causing core barrel to stick. Was told that Boyles are requesting an increase in price per foot.

About 30% of the core has been recovered to date. The sludge is recovered in pails and are panned by Mr. Mitchell when he finishes his shift at the Day Tunnel.

Day Tunnel:

The working face was completely caved at the time of my visit. A 4-inch stream of water was pouring out from the center. The material excavated is sticky gouge-like material (serpentine). If the excavation is made much wider than actual requirements for the timbering, they are troubled with runs from the walls of the drift.

Mr. Mitchell reopened this adit some years ago and advised the operators not to reopen it again. I understand they are becoming alarmed at the expense.

To expedite the framing of the mine timber, they purchased a small portable gasoline-driven power saw (about $325).

/s/ Russell R. Trengove
Russell R. Trengove

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1950 FEB 6 AM 11:23

SAN FRANCISCO, CALIFORNIA

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

~~630 SANSOME STREET,~~
~~SAN FRANCISCO 11, CALIF.~~

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

DEPARTMENT OF THE INTERIOR
RECEIVED
SEP 1 0 1951
Defense Minerals Administration,
Production Expansion Division.

Air Mail

Sept. 7, 1951

Una 1165 E 64

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division, DMA, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Cordero Mining Company
Diamond Drilling Contract

As I promised to you over the telephone earlier this afternoon, I am sending herewith two copies of the diamond drilling contract which was executed between the Cordero Mining Company and Boyles Bros. Drilling Company. It is this contract which I approved as Executive Officer of the DMA Field Team, Region III, in connection with Cordero Mining Company's Exploration Project Contract Idm-E64.

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

SEP 10 10 42 AM '51
DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.

Attachments 2

Copy via regular mail (w/o attachments)

C O P Y

CORDERO MINING COMPANY

703 Mechanics' Institute Bldg.

57 Post Street

San Francisco 4, California

August 22, 1951

Mr. R. T. Goldsworthy
Boyles Bros. Drilling Company
1321 South Main Street
Salt Lake City, Utah

Dear Mr. Goldsworthy:

In reference to your letter of August 13, 1951 in which you submit bids for diamond drilling at the New Almaden Mine as follows:

1. Surface Drilling - 10 holes totaling approximately 5,500 feet in two separate locations.

   A. Size BX 0 to 600 feet, $5.80 per foot.

   B. Cementing and drilling cement, $8.00 per hour plus cement or cement substitute required.

2. Underground Drilling - Approximately 4,000 linear feet from several locations.

   A. Size BX from 0 to 600 feet, $5.10 per foot.

   B. Cementing and drilling cement, $7.50 per hour plus cement or cement substitute required.

"In both of the foregoing quotations, the rate quoted for drilling covers collar pipes and all reaming and installing of casing, and no extra charge will be made for any operation except cementing. In the case of underground drilling, you would be required to furnish us with compressed air and drill stations."

We wish to advise you that your bid was low and acceptable to us providing the drilling can be done under the following conditions:

The work will be performed under the direction of Cordero Mining Company who will designate the position, depth and inclination of all holes to be drilled; will determine depths at which drilling is to be stopped and will direct when reaming, casing, cementing, other extras, or surveying will be done.

The contractor will keep records of drilling operations and shall furnish Cordero Mining Company with a daily log showing inclination of all footage drilled, nature of rock penetrated, footage and size of casing used, footage of hole cemented and pertinent information regarding condition of hole.

All work shall be performed with the understanding that the objective is to secure accurate samples of the formation penetrated and shall be directed to this end. Core barrels of the double-tube type shall be used. When approaching, or drilling in, material which it is desired to sample, the contractor shall use a barrel five feet long if instructed to do so by the company engineer. Cores shall be placed by the contractor in proper sequence in core boxes provided by the company. Return water and sludge shall all be discharged into receptacles provided by the company, and as directed by the company engineer. The contractor shall make every effort to secure the highest core and sludge recovery commensurate with good practice.

No grinding of cores will be permitted. Whenever a core block occurs the rods shall be pulled, regardless of length of run. When drilling in material which it is desired to sample, upon completion of run, water shall be pumped down the hole until the return water is clear before pulling the rods, and again when rods have been lowered to bottom, before drilling is resumed. Water shall not be recirculated through the hole until completely clear of sediment.

When in ore, and when instructed to do so by the company engineer, the contractor shall clock the core and pull the rods at intervals of five feet or less, provided the formation is such that this can be done.

The contractor will not be paid for any footage of holes lost before the desired depth has been attained, when such loss is due to incompetency on the part of the contractor or to defective or inadequate equipment. If a hole is lost for reasons beyond the control of the contractor and the hole is abandoned by order of the company engineer, the contractor shall be paid in full for footage drilled in the abandoned hole.

Each hole will be vouchered as completed upon receipt of properly certified invoice from contractor. The footage drilled, and the amounts due for all items will be certified by the company engineer on the invoice in accordance with measurements made by him. Payments for surveying or other work on an hourly basis as ordered by the company engineer will be included on the invoice for each hole.

August 22, 1951

If the above conditions are agreeable to you we would appreciate you signing two copies of this letter and returning them to us.

Very truly yours,

(s) J. Eldon Gilbert

J. Eldon Gilbert
Manager

JEG:L

(s) R. T. Goldsworthy, V.P.
Signature

Aug. 23, 1951
Date

1165

My dear Senator Nixon:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with the Cordero Mining Company, operating in your state for the exploration of possible sources of mercury.

The contract provides that the Government will participate in the expense of this work up to 75% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

(SGD) R. D. Searles

Secretary of the Interior

Honorable Richard M. Nixon
United States Senate
Washington 25, D. C.

Ellis/bih
Written 7/18/51
cc to: Messrs. Secy's Reading File
Adm's. Reading File
Reports & Records
Wittendorf-Olund
Ellis
FILES

1165

My dear Mr. Anderson:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with the Cordero Mining Company, operating in your state for the exploration of possible sources of mercury.

The contract provides that the Government will participate in the expense of this work up to 75% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

R. D. Searles

Secretary of the Interior

Honorable Jack Z. Anderson
House of Representatives
Washington 25, D. C.

EWEllis/bih
Written 7/18/51
cc to: Messrs. Secy's. Reading File
Adm's. Reading File
Reports & Records
Mittendorf-Olund
EWEllis
FILES

1165

My dear Senator Knowland:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with the Cordero Mining Company, operating in your state for the exploration of possible sources of mercury.

The contract provides that the Government will participate in the expense of this work up to 75% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

R. D. Searles

Secretary of the Interior

Honorable William F. Knowland
United States Senate
Washington 25, D. C.

EWEllis/bih
Written 7/18/51
cc to: Messrs. Secy's Reading File
Adm's. Reading File
Mittendorf-Olund
Reports & Records
EWEllis
F I L E S

FILE COPY
SURNAME:

Ellis
Mittendorf

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

July 23, 1951

Q.E.C.

Mr. Frank McAtee, Jr.,
Contract Service Section
General Accounting Office
4th Floor - New AGO Building
Washington 25, D. C.

Re: Docket No. 1165X
Exploration Project Contract
Idm-E64
Cordero Mining Company
57 Post Street
San Francisco, California

Dear Mr. McAtee:

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 JBF 7/24

C. O. Mittendorf, Director
Production Expansion Division

Enclosure - 1

EWEllis/bih
cc to: Messrs. Admr's. Reading File
Reports & Records
Mittendorf-Olund
Lyon
Bourret
H.C.Miller, Region III
EWEllis
F I L E S

FILE COPY
SURNAME:

Ellis
Mittendorf

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

FILE NOTE: July 23, 1951

Operator's copy handed to Mr. S. H. Williston in person by Mr. Mittendorf,

Cordero Mining Company
57 Post Street
San Francisco 4, California

Attention: Mr. S. H. Williston

G. E. C. -

Re: Docket No. DMA 1165X
New Almaden Mine

Gentlemen:

Enclosed find executed Exploration Project Contract No. Idm-E64, dated July 18, 1951, with attached Exhibit "A" and maps; also a set of monthly Progress Reports (MF-104). This report is to be submitted monthly in quadruplicate to the DMA field representative in your area where additional copies may be obtained.

Any questions appertaining to this project should be referred to Mr. H. C. Miller, Executive Officer, DMA Field Team, Region III, 1415 Appraisers Building, San Francisco, California. Please notify Mr. Miller when you begin work on this project.

A press release dated May 14, 1951 on "Questions and Answers on the Minerals Exploration Program" is also enclosed for your information.

Sincerely yours,

C. O. Mittendorf 7/24

C. O. Mittendorf, Director
Production Expansion Division

Enclosures - 7

EWEllis/bih
cc to: Messrs. Mittendorf-Olund
Reports & Records
Lyon
Bourret
EWEllis
HCMiller, Region III
Contract Service Sec. GAO
(Field Finance Sec.
(Miss Terry
F I L E S

FILE COPY
SURNAME:

Mittendorf

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

July 23, 1951

C. E. C.

Mr. H. C. Miller
Executive Officer, Region III
Defense Minerals Administration
1415 Appraisers Building
San Francisco, California

Re: DMA-1165X
Cordero Mining Company
San Francisco, California

Dear Mr. Miller:

Enclosed for the use of your office is a copy of the contract covering the subject exploration project, which has been signed for the Cordero Mining Company and for the Defense Minerals Administration.

A copy for the Regional Finance Officer will be forwarded directly by the Washington Finance Division, together with accounting instructions.

Sincerely yours,

C. O. Mittendorf JBF 7/24

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

COMittendorf/fw

cc to: Admr. Reading File
Reports & Records
Field Team, Reg.III
Miss Terry, Finance Div.
Mr. Lyon
Mr. Bourret
Mr. Mittendorf, Mr. Olund
Mr. Ellis

FILE COPY
SURNAME:

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

July 16, 1951

Memorandum

To: C. O. Mittendorf

From: J. L. Hofflund

Subject: Cordero Mining Company New Almaden Quicksilver Mine, Exploration Contract DMA-1165X

I am unable to approve the subject contract as to legal form or content for the following reasons:

1. There is confusion in the description of the property as stated in Article 2 of the contract form and in an annex to the contract entitled "Description of New Almaden Quicksilver Property", which is not referred to in the contract. I suggest that the blanks in Article 2 of the contract form be reformed as follows:

"New Almaden Quicksilver Mine, being more fully described on annex to this contract entitled 'Description of New Almaden Quicksilver Property' consisting of parcels 1 to 10 inclusive, as shown on map attached hereto marked 'Exhibit A 10-391', containing some 5,000 acres more or less, being parts of Ranchos Capitancillos and San Vincente."

2. Strike out paragraph (a) of the Article 2 in the contract form.

3. Reform Exhibit A, attached to the contract, as indicated on the first page thereof in pencil, more particularly as follows:

(a) Page 1, eight lines from the bottom, strike out the words "United States specialists most familiar with the property" and replace with the words "the Government".

(b) Page 2, five lines from the top, place a period after the words "exploration contract", and reform the last two lines to read as follows: "In the event any of the areas 'A', 'B', 'C', AND 'D', in the opinion of the Government, show appreciable mercury mineralization, phase 2 may be started."

(c) Page 2, eleven lines from the top, strike out the words "Cordero must conclude that", and on the twelfth line replace the word "will" with the word "may".

(d) Page 2, eight lines from the bottom, strike out the sentence beginning "If all four areas are favorable . . .", and reform the preceding sentence as indicated by the insertion of the words "in the opinion of the Government".

4. It seems to this office that the allowance of $7,000 a year for a geologist is out of line unless full-time services are to be given. This, however, is a comment for administrative rather than for legal consideration.

5. At page 3 of Exhibit A, under Phase 1, strike out any allowance for "Misc. & Field Office Expense". This is overhead and not allowable under the terms of the contract.

6. It appears to this office that the "opening 600 feet of cave tunnel at $41.59/ft." might be more in the nature of permanent improvements or development rather than exploration. However, this comment is for administrative rather than for legal consideration.

Your file in this case is returned herewith.

J. L. Hofflund
General Counsel

Attachment

RRGuthrie/bjl
JLHofflund/

Copy to: L. F. Strobel
R. R. Guthrie
J. L. Hofflund
Chron.
Files

J. N. PEW, JR.
PRESIDENT

S. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY

703 MECHANICS' INSTITUTE BLDG.
57 POST STREET
SAN FRANCISCO 4, CALIFORNIA

1600 Walnut St.
Philadelphia, Pa.

July 12, 1951

Plant Expansion Division
Defense Minerals Administration
New Interior Building
Washington, D. C.

Gentlemen:

Enclosed please find Docket D.M.A. 1165X with alterations as suggested.

As soon as this application is approved for final execution we will (a) supply you with the following: 6 signed Landlord's Subordination Agreement, (b) two copies of the lease from the owners of the property, (c) will submit for your inspection, one original signed lease for comparison with the unsigned copies to be supplied, (d) two copies of the Subordination Agreement of the mortgagors who hold a mortgage on the 5000 acres of fee land involved. The mortgagors in this subordination are the same as the signers of the lease. The present owners of the property hold a mortgage on the property in different proportions than their ownership in the fee land. This is a rather unusual procedure but the signatures on the original subordination agreement provide clear title in any event.

Very truly yours,

S. H. Williston

SHW/t
encl.

FILE COPY
SURNAME:

Gordon
Mayer
Baruch.

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

June 29, 1951

Memorandum

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: New Almaden Mine
Santa Clara County, California
Mercury - DMA-1165x

Under date of May 9, 1951, applicant submitted the subject exploration project, DMA-1165x requesting a project finally estimated in the sum of $200,828.00 for a government participation of $150,621.00 (75%). Applicant is prepared to invest $50,207.00.

The following factors have been carefully considered and weighed in reviewing this application:

1. Refer MO-5 Sec. 7 (Criteria)

   (a) Further domestic sources of mercury are desired.
   (b) E. T. McKnight, U.S.G.S. states: "Inasmuch as the proposed drilling will follow exactly the recommendation in the geological survey press release, there will be no need to refer the application to the field, --------.
   The chances of discovering new ore bodies appear to be as good as can be hoped for on California quicksilver deposits."
   (c,d,e,f,) Sufficient manpower, equipment and supplies are available. Good roads lead to the property and ample water is on the property. Power is available from the Pacific Gas and Electric Company.
   (g) Cordero Mining Company has an experienced mining staff.

2. The ground to be included in the contract is all that described in attached lease to Cordero Mining Company from owners Richard H. L. Sexton, Joan F. W. Sexton, Eric H. L. Sexton and Beryl M. D. Sexton; boundaries of this property are shown on plotmarked Exhibit "A" attached to lease. Landlord's Subordination Agreement is required. Lease is as yet not signed, but will be upon assurance of a contract (MF-200).

3. The entire project can be completed within two years from date of approval. It is prepared to start promptly following approval.
Estimated progress is as follows:

Stage one:

1st quarter - Reopen 300 ft. of caved portion, Day tunnel. Complete 1000 ft. or more diamond drill hole in areas A and/or B.
2nd quarter - Complete reopening of Day tunnel. Complete 3000 additional feet, diamond drill hole, in areas A and B.
3rd quarter - Complete 1,400 ft. diamond drill hole, in areas A and B. Complete 1,600 ft. or more diamond drill hole in areas C and/or D.
4th quarter - Complete 2,550 ft. diamond drill hole in areas C and D. Present report.

Stage two:

5th through 8th quarter - Erect headframe, hoist and compressor houses. Drive 900 feet of exploratory drifting and sink estimated 600 ft. shaft. A more detailed schedule for stage two depends upon results of stage one, so cannot be given now.

4. The project consists of two stages, the second stage to follow only if results satisfactory to DMA and applicant are obtained in the first stage.

Stage One:

1. Estimated 5,400 ft. of BX diamond drill holes from surface in areas recommended by U.S.G.S. press release, consisting of six holes averaging 500 feet each in area A and six holes averaging 400 feet each in area B, Location of all holes to be agreed between E. Bailey, U.S.G.S. or DMA field team and applicant's geologist.
2. Reopen Day tunnel for estimated distance caved, 600 feet.
3. Estimated 4,150 feet of BX diamond drill holes from underground, (ref. U.S.G.S. press release) consisting of 6 holes averaging 400 feet each in area C and five holes averaging 350 feet each in area D.
4. Evaluation of results and engineer's report thereon to DMA.

Stage Two:

1. Erect headframe, hoisthouse and compressor house.
2. Sink estimated 600 ft. shaft and drive estimated 990 ft. of exploratory drifts, in areas indicated by results of stage one.
3. Evaluation of results and engineer's report thereon to DMA.

5. Estimated costs are as follows:

Stage One:

(a)	9,550 ft. of BX diamond drill hole @$6.50/ft.	$62,075.00
(b)	Reopening 600 feet caved ground, Day Tunnel @$41.59/ft.	24,954.00
(c)	Rental on equipment, exhibit C, $408/month for 6 months	2,448.00
(d)	Purchase of equipment and supplies, exhibit C	3,088.00
(e)	Geologist and miscellaneous	8,547.00
	Total Cost of Stage One	$101,112.00

Stage Two:

(f)	Construction of headframe, hoist & Compressor houses	8,500.00
(g)	Sink 600 ft. shaft @ $78.46/ft.	47,076.00
(h)	900 Ft. Exploratory drifting @ $22.50/ft.	20,250.00
(i)	Rental on equipment exhibit C $1120/month for 12months	14,640.00
(j)	Equipment purchase, exhibit C	2,250.00
(k)	Geologist	7,000.00
	Total Cost of Stage Two	$99,716.00
	Total Cost of Project	$200,828.00

It is therefore recommended that the Production Expansion Division negotiate a formal contract (MP-200) with the Cordero Mining Company which will permit the applicant to undertake the following specific exploration, along the lines described above:

1. Drill 9,550 feet of BX diamond drill hole.
2. Reopen Day tunnel.
3. Sink 600 ft. shaft.
4. Drive 900 ft. of exploratory drifts.

Tom Lyon, Director
Supply Division

Attachment

Recommendation approved.
Production Expansion Division

WBourret/mh
cc: Adm. Read. File
Strobel
Lyon
Field Team, III
Bourret
Files

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

a.e.e.

June 5, 1951

Mr. J. [illegible] Gilbert, Manager
[illegible] Mining Company
37 [illegible] Street
San Francisco 4, California

Re: New Mexico [illegible] Calyvan Mine
[illegible] Docket No. 1166X

Dear Mr. Gilbert:

Reference is made to your application of May 7, 1951 for an copper tion project in the amount of $10,000 to explore the New Mexico mine; we note you have included an additional $100,000 for a second phase of the project in the event the first part is satisfactory.

Before a final decision can be reached on your request it will be necessary to obtain additional information. I am attaching herewith six copies of a contract form (DMA-200) which I suggest you review carefully and return in time. In the event your project is approved, the next step is execution of this contract; unless the exhibits referred to (Exhibits [illegible] to [illegible] inclusive) are complete in all respects, including maps, some unnecessary delay may result. I would suggest therefore that you prepare six copies of each of the exhibits and forward to this office.

Very truly yours,

Tom Lyon

[illegible], Director
[illegible] Division

Enclosure

[illegible]/ah
cc [illegible] Central File
Mr. [illegible]
Mr. [illegible]
Mr. Lyon
Mr. [illegible]
Mr. [illegible] (Application, etc. received by Mr. [illegible])
Files

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

May 29, 1951

Re: Docket DMA-1165

Memorandum

To: Mr. Weston Bourret

From: Mr. Edwin T. McKnight

Subject: Application of Cordero Mining Company to explore New Almaden Mine, Santa Clara County, California.

The proposal is to diamond drill from the surface ~~to~~ two areas of the New Almaden Mine that were recommended for exploration in a press release issued by the Geological Survey in November 1950. The diamond drilling cost is estimated at $4.00 to $8.00 per foot, depending upon conditions. An exact footage cannot be given because the drilling will be modified in later holes, depending upon what is found in the earlier holes. The total estimated cost is between $100,000 and $200,000, of which the Government is asked to advance 75 per cent.

Inasmuch as the proposed drilling will follow exactly the recommendation in the Geological Survey press release, there will be no need to refer the application to the field, in order to check the geologic conditions governing the proposal. The chances of discovering new ore bodies appear to be as good as can be hoped for on California quicksilver deposits.

Edwin T. McKnight
Edwin T. McKnight
Geologist

J. N. PEW, JR.
PRESIDENT

S. H. WILLISTON
VICE PRESIDENT

JOHN C. AGNEW
SECRETARY-TREASURER

CORDERO MINING COMPANY

703 MECHANICS' INSTITUTE BLDG.
57 POST STREET
SAN FRANCISCO 4, CALIFORNIA

May 22, 1951

Defense Minerals Administration
Interior Building
Washington, D. C.

Re: Subject 1065X, Cordero Mining Co.
Almaden Prop.

Dear Sir:

In connection with the execution of the U. S. G. S. recommendation on the Almaden property, the sequence of the exploratory operations will naturally depend on the results of the drilling. We would expect to drill four to five holes in each of the four areas, but this might well be increased in some places and decreased in others.

We would suggest nothing smaller than B holes to insure high core recovery. It is almost impossible to estimate cost of reopening the Day Tunnel. It might run as low as $5,000 and could easily reach $20,000.

Since this is a mercury prospect, drill holes alone are undependable in determining the size or value of ore bodies. In the event that favorable indications show up, sinking or drifting to further explore the ore occurrences will probably be essential.

We would suggest that details of exploration be decided jointly by our geologist on this job, who will probably be L. W. Staples of Eugene, Oregon and a representative of the U. S. G. S. or Bureau of Mines, presumably Mr. Bailey.

In addition to the A, B, C, and D areas, it may well be desirable to put down a few holes in the scantily explored area between Mine Hill and the Senator workings, If favorable geology in this area could be found, the opportunity for sizable tonnage might well be good

Cordially yours,

S. H. Williston
Vice President

SHW/p

FILE COPY
SURNAME:

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

May 16, 1951

Mr. J. Eldon Gilbert, Manager
Cordero Mining Company
57 Post Street
San Francisco 4, California

Subject: DMA 1165X
Re: Exploration Loan -
New Almaden Mine

My dear Mr. Gilbert:

Receipt is acknowledged of your application and attachments of May 9, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number 1165X and referred to Mr. Weston G. Bourret, Acting Chief, Minor & Rare Metals Branch on May 15, 1951.

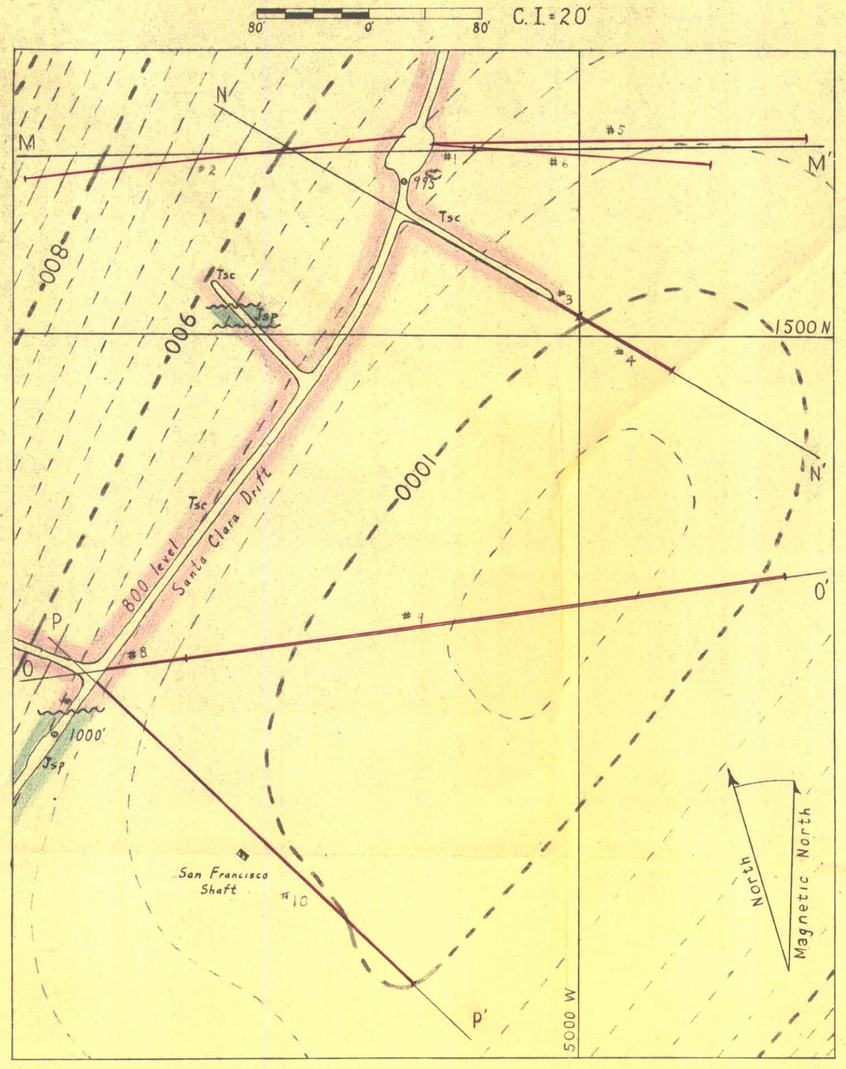
In any future correspondence relating to your application, kindly refer to DMA 1165X.

Sincerely yours,

LANDON F. STROBEL
Landon F. Strobel
Executive Secretary

LFSTROBEL:mab
cc: Strobel 2
Files
Mr. Bourret
Mr. Lyon

SUBSURFACE CONTOUR MAP OF CONTACT III SHOWING UNDER-GROUND DIAMOND DRILL-HOLES 1 TO 6 AND 8 TO 10



EXPLANATION

Position of shaft

Diamond-drill hole

(known) (projected)

Subsurface contours (contact III)

Ter.

Tsc — Silica-carbonate

Jsp — Serpentine

Upper Jurassic, Franciscan group

Jfs — Clastic sediments (graywacke, arkose, siltstone, & conglomerate)

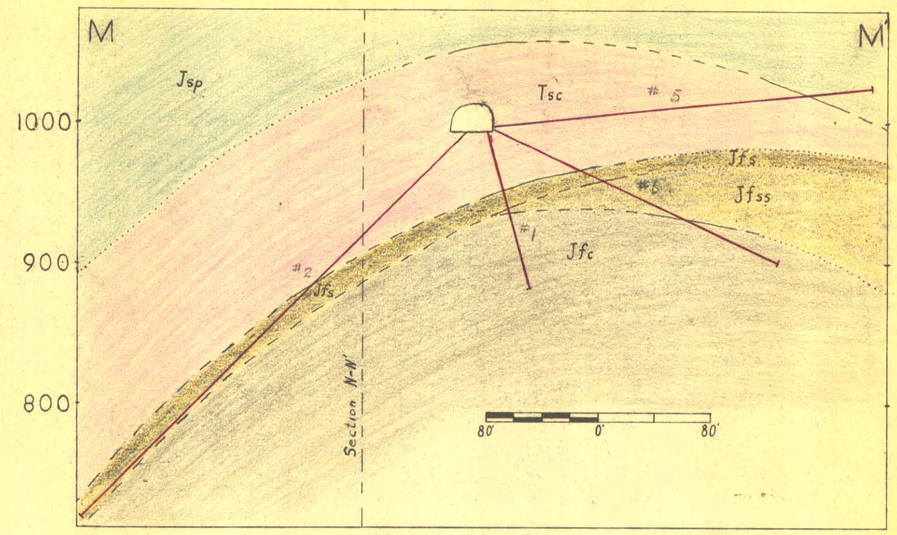
Jfg — Greenstone (altered mafic lavas, tuffs, & breccia)

Jfc — Chert

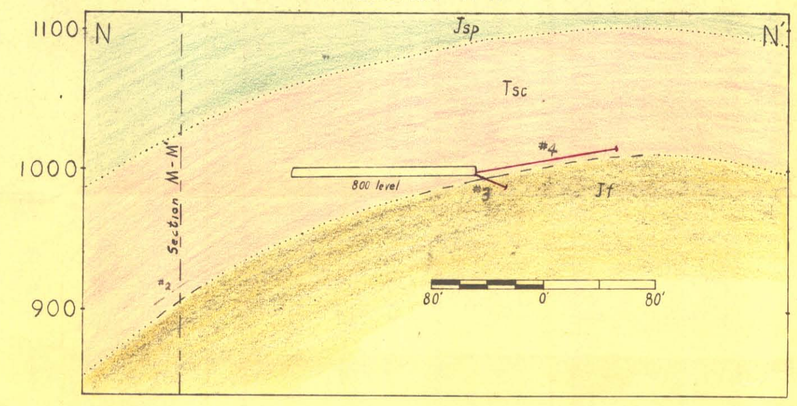
Jf — Undifferentiated Franciscan (includes clastic and pyroclastic rock)

Coordinates are those used by the mining companies.

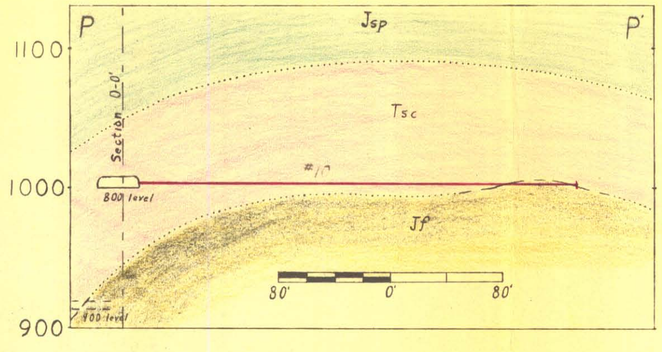
SECTION M-M'



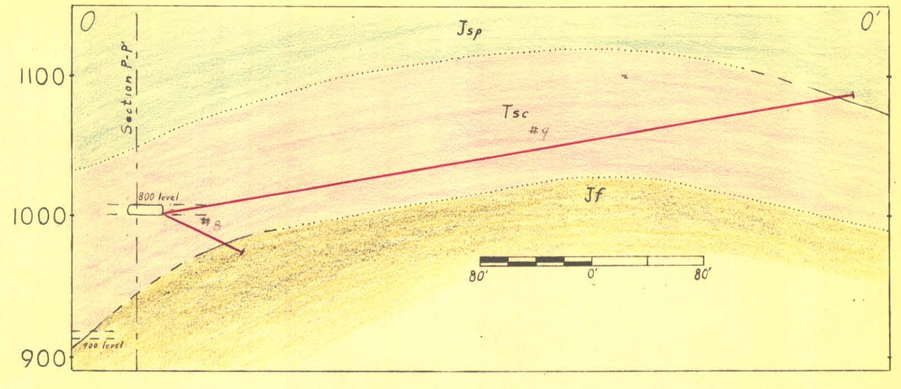
SECTION N-N'



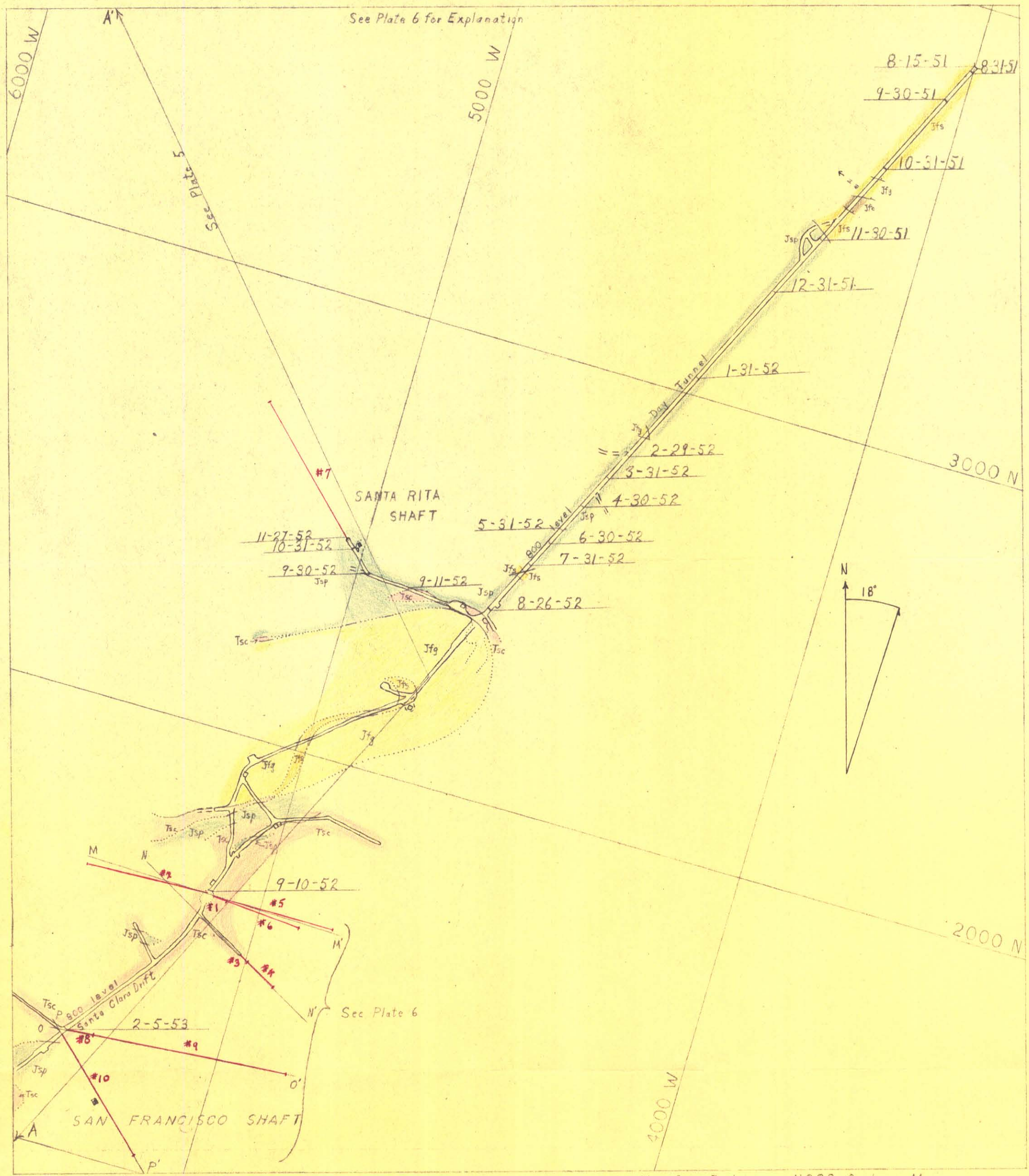
SECTION P-P'



SECTION O-O'



GEOLOGIC MAP OF THE DAY TUNNEL (800) LEVEL SHOWING MONTHLY PROGRESS AT REOPENING TUNNEL, AND POSITIONS OF UNDERGROUND DIAMOND DRILL-HOLES



Map from Preliminary USGS Geologic Map

GEOLOGIC MAP OF THE NEW ALMADEN MINE
SANTA CLARA COUNTY, CALIFORNIA

200 0 200'

C.I. = 10'

PLATE I

EXPLANATION

QUATERNARY

Recent

Slide from dump

Dump

Waste

Qls

Landslide Material

TERTIARY

Pliocene (?)

Tdv

Dolomite-quartz veins

Tsc

Silica-carbonate rock
(The host rock for most of the quicksilver ores. Composed chiefly of magnesite and fine grained quartz; derived from serpentine by hydrothermal alteration.)

JURASSIC

Upper Jurassic

Franciscan group

Jsp

Serpentine

Jfmh

Hornblende-bearing metamorphic rocks
(Formed from tuffaceous greenstone of the Franciscan group.)

Jfmg

Glaucophane-bearing metamorphic rocks
(Formed from various other rocks of the Franciscan group.)

Jfs

Clastic sediments
(Graywacke, arkose, siltstone, and conglomerate.)

Jfl

Limestone

Jfg

Greenstone
(Includes altered mafic lavas, tuffs, and breccia.)

Jfc

Chert

30

Contact showing dip
(Solid where accurately located; dashed where approximate.)

Indefinite contact

Vertical Contact

Fault
(Solid where accurately located; dashed where inferred.)

Syncline
(Showing trace of axial plane and plunge.)

75

Strike and dip of beds

90

Strike of vertical beds

Horizontal beds

75

Strike and dip of foliation
(Schistosity in schists; shear planes in serpentine.)

Strike of vertical foliation

Vertical shafts
(Open and caved; showing number of compartments.)

Portals of adits
(Open and caved.)

Fence

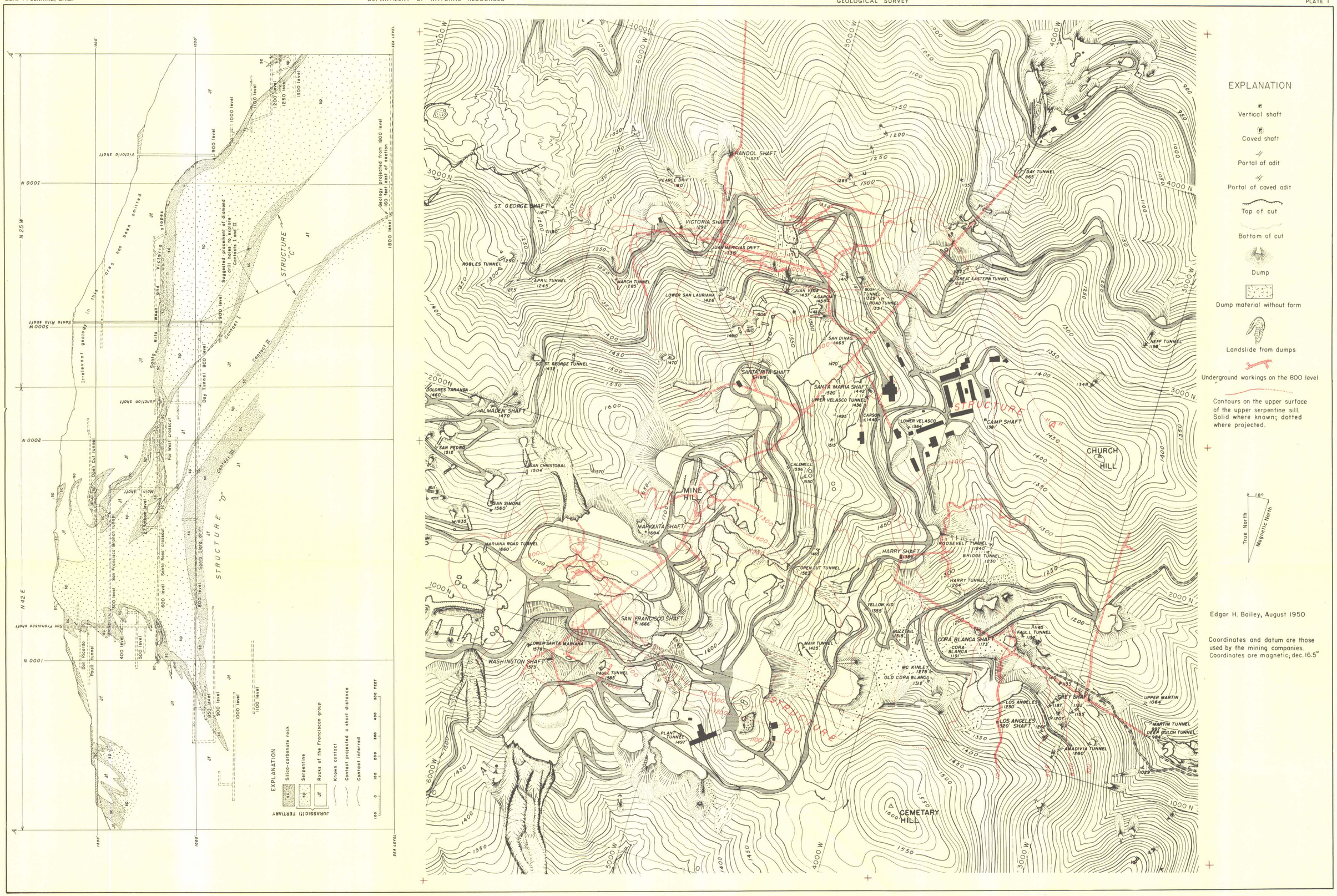
Track

Permanent survey station

Scarp showing top and base

N 18°

Map from Preliminary USGS Geologic Map



MAP AND CROSS SECTION OF PART OF THE NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA
SHOWING STRUCTURES FOR SUGGESTED EXPLORATION

0 500 1000 FEET

Contour interval 10 feet

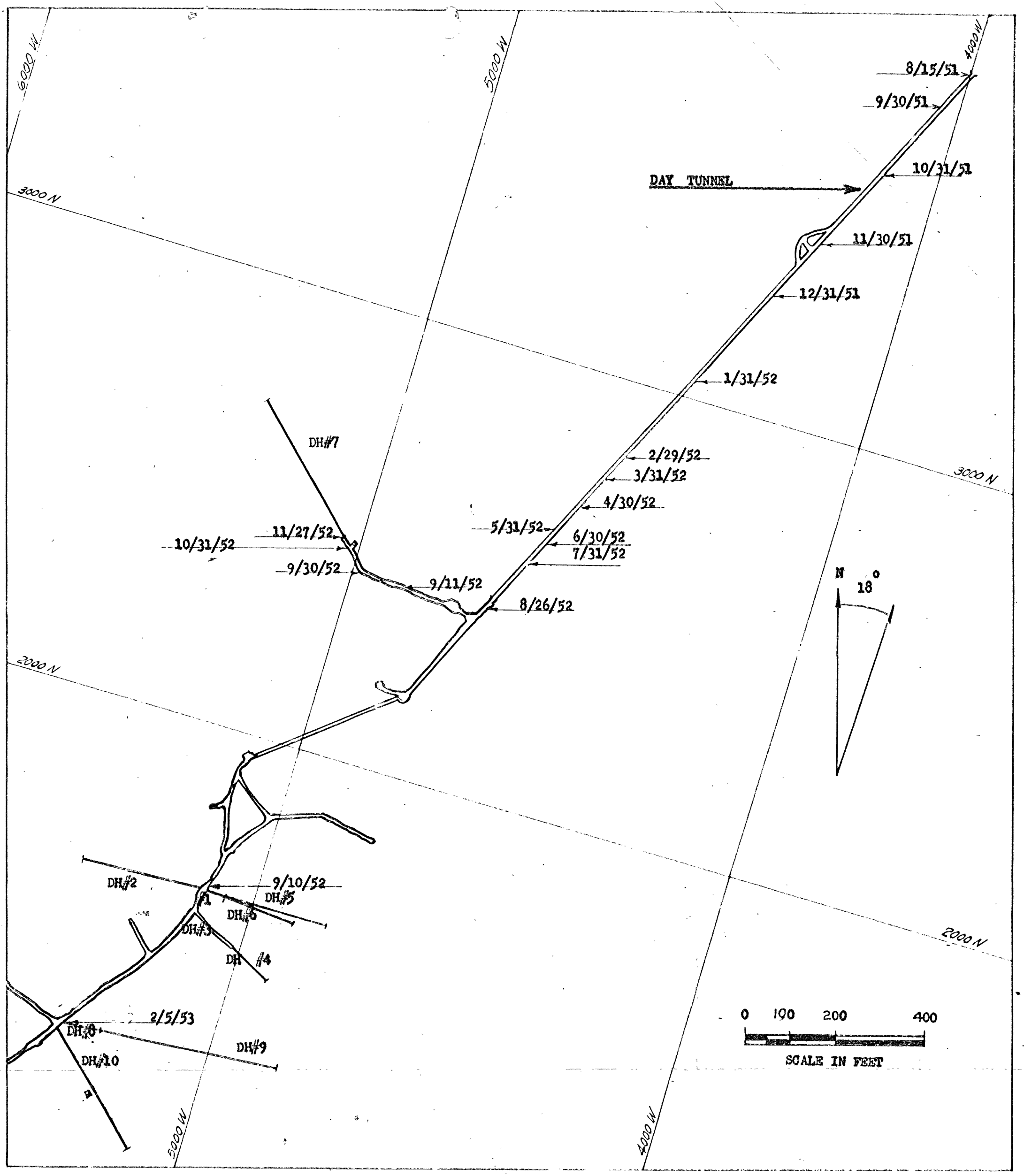
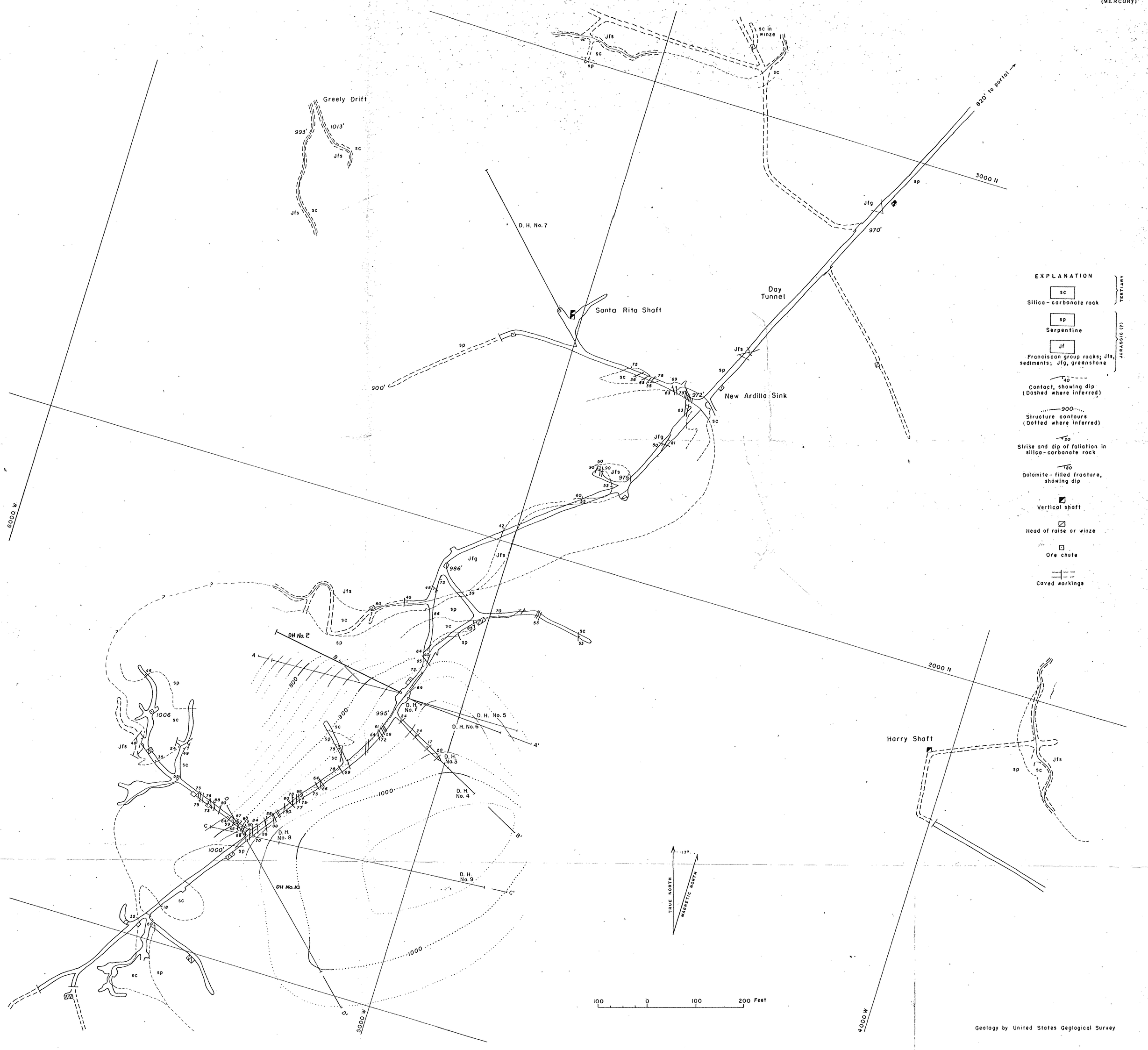


FIG. 3 MAP SHOWING MONTHLY PROGRESS REOPENING THE DAY TUNNEL, NEW ALMADEN MINE, SANTA CLARA COUNTY, CALIFORNIA

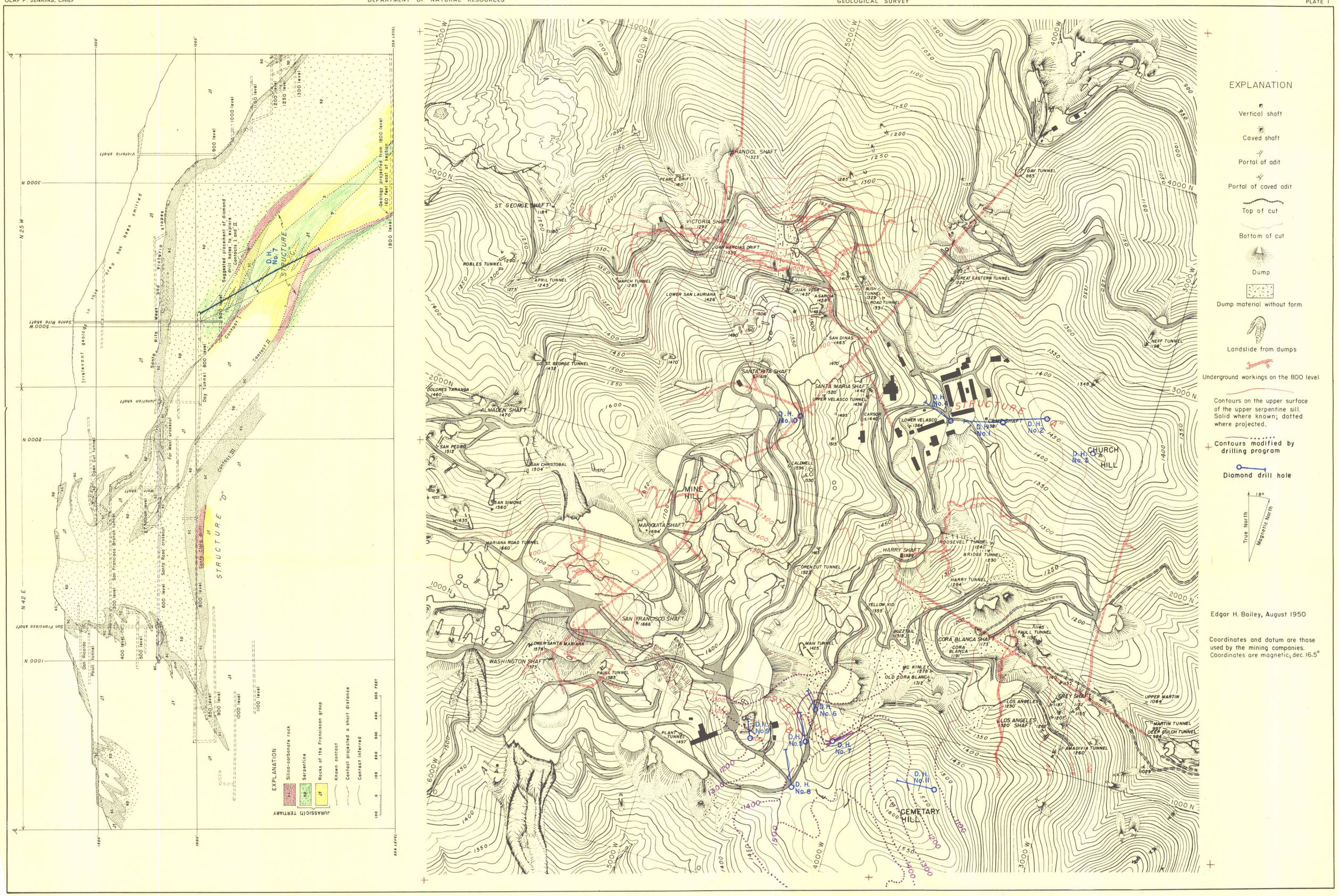
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 1165
Idm - E64.
(MERCURY)



GEOLOGIC MAP OF PART OF THE 800' LEVEL SHOWING UNDERGROUND DIAMOND DRILL HOLES AND STRUCTURE CONTOURS ON THE INTRUSIVE CONTACT (STRUCTURE D)

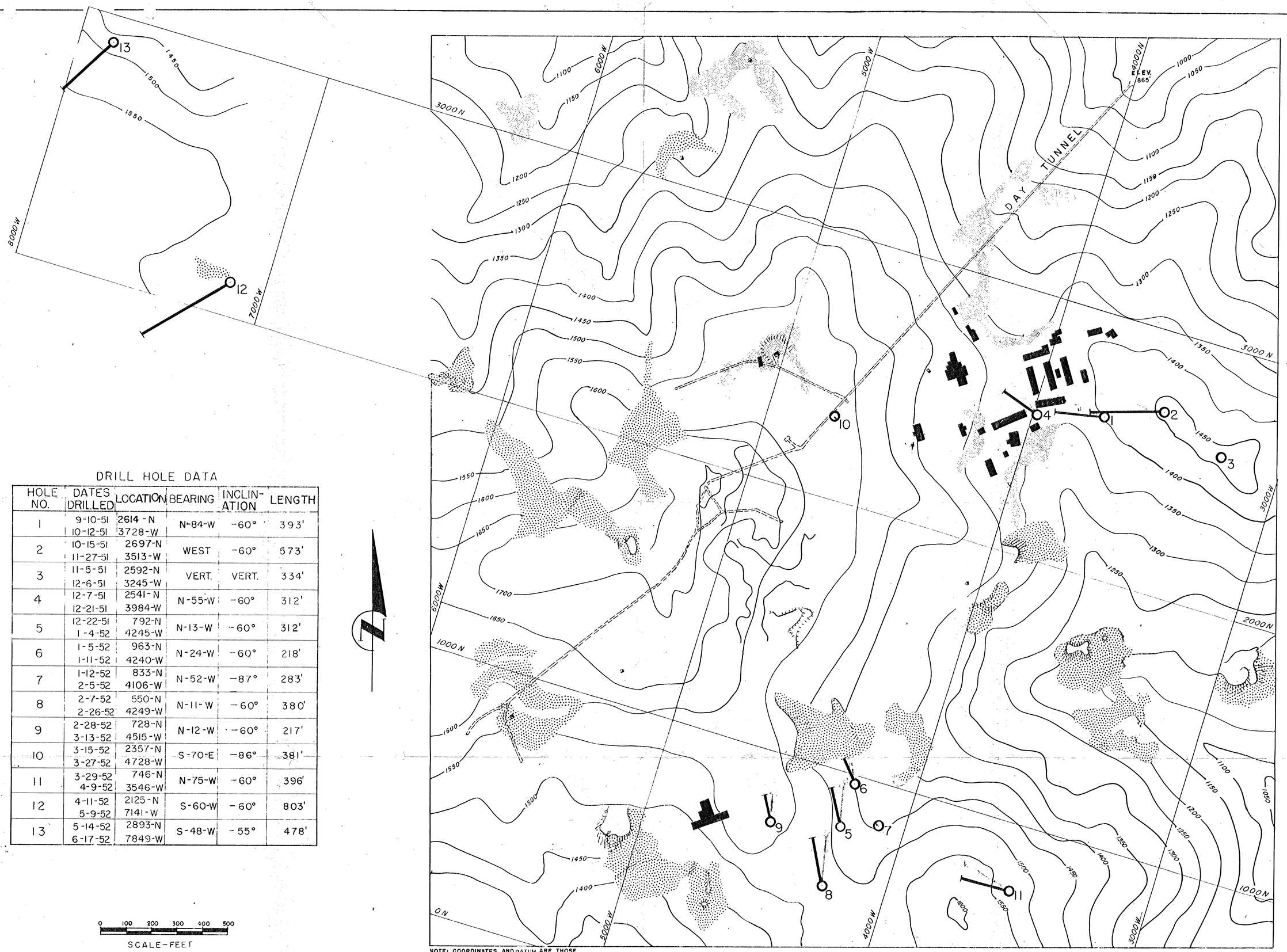
PLATE 4



MAP AND CROSS SECTION OF PART OF THE NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA
SHOWING STRUCTURES FOR SUGGESTED EXPLORATION

0 500 1000 FEET

Contour interval 10 feet



DRILL HOLE DATA

HOLE NO.	DATES DRILLED	LOCATION	BEARING	INCLINATION	LENGTH
1	9-10-51 10-12-51	2614-N 3728-W	N-84-W	-60°	393'
2	10-15-51 11-27-51	2697-N 3513-W	WEST	-60°	573'
3	11-5-51 12-6-51	2592-N 3245-W	VERT.	VERT.	334'
4	12-7-51 12-21-51	2541-N 3984-W	N-55-W	-60°	312'
5	12-22-51 1-4-52	792-N 4245-W	N-13-W	-60°	312'
6	1-5-52 1-11-52	963-N 4240-W	N-24-W	-60°	218'
7	1-12-52 2-5-52	833-N 4106-W	N-52-W	-87°	283'
8	2-7-52 2-26-52	550-N 4249-W	N-11-W	-60°	380'
9	2-28-52 3-13-52	728-N 4515-W	N-12-W	-60°	217'
10	3-15-52 3-27-52	2357-N 4728-W	S-70-E	-86°	381'
11	3-29-52 4-9-52	746-N 3546-W	N-75-W	-60°	396'
12	4-11-52 5-9-52	2125-N 7141-W	S-60-W	-60°	803'
13	5-14-52 6-17-52	2893-N 7849-W	S-48-W	-55°	478'

NOTE: COORDINATES AND DATUM ARE THOSE OF THE MINING COMPANIES.

ENLARGED FROM MAP IN SPECIAL REPORT 17, STATE OF CALIFORNIA, DIVISION OF MINES, AND FROM MAPS SUPPLIED BY THE CORDERO MINING COMPANY.

FIG. 2 LOCATIONS OF SURFACE DIAMOND DRILL HOLES — NEW ALMADEN MINE (Mercury), SANTA CLARA COUNTY, CALIFORNIA — EXPLORATION CONTRACT Idm-E64, DMA-1165 X

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell
DISTRICT MANAGER APPROVAL:
LOCATION: Almaden Calif.
DEPARTMENT:
SHEET NO.:
PAY PERIOD ENDING: 2-15-52

Indicate by Red X Reimbursement of Imprest Fund	Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours (1 2 3 4 5 6 7 8 9 10 11 12 13 14 15)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
	546-03-3484		3	Almaden mine			550.00															
	Herbert J.E. Mitchell			MONTHLY				275 00	275 00				2 75	4 13	38 30							229 82
	546-03-3478		2	Almaden mine			400.00															
	Douglas Gardelius			MONTHLY				200 00	200 00				2 00	3 00	29 90							165 10
	553-36-8065		1	Almaden mine		8	.75															
	Stanley H. Mitchell			88--28888-88888	90		1.50	141 00	135 00	6 00			1 41	2 12	22 80							114 67
	556-01-7643		2	Almaden mine		8	.75															
	Walter L. Robb			88-8---88-88888	80		1.50	126 00	120 00	6 00			1 26	1 89	14 10		7 50					101 25
	564-05-7804		5	Almaden mine		8	.75															
	Albert W. McFarland			88-88888--88888	96		1.50	150 00	144 00	6 00			1 50	2 25	3 00		7 50					135 75
	541-22-4269		1	Almaden mine																		
	Donald L. Curry			MONTHLY			325.	162 50	162 50				1 63	2 45	26 80		7 50					124 12
	552-16-2603		3	Almaden mine		8	.75															
	Estille Starks			4--88888----	52		1.50	84 00	78 00	6 00			84	1 26	30		4 50					77 10
				TOTALS				Total Amt. Earned	B	C	D	E	F	G	H	J	L	P	S	T-1	T-2	Net Amount

Form SP-171 Printed in U.S.A.

CORDERO MINING COMPANY
BRANCH PAYROLL SHEET

OFFICE MANAGER APPROVAL: Bert Mitchell

LOCATION: Almaden Camp

DISTRICT MANAGER APPROVAL:

DEPARTMENT:

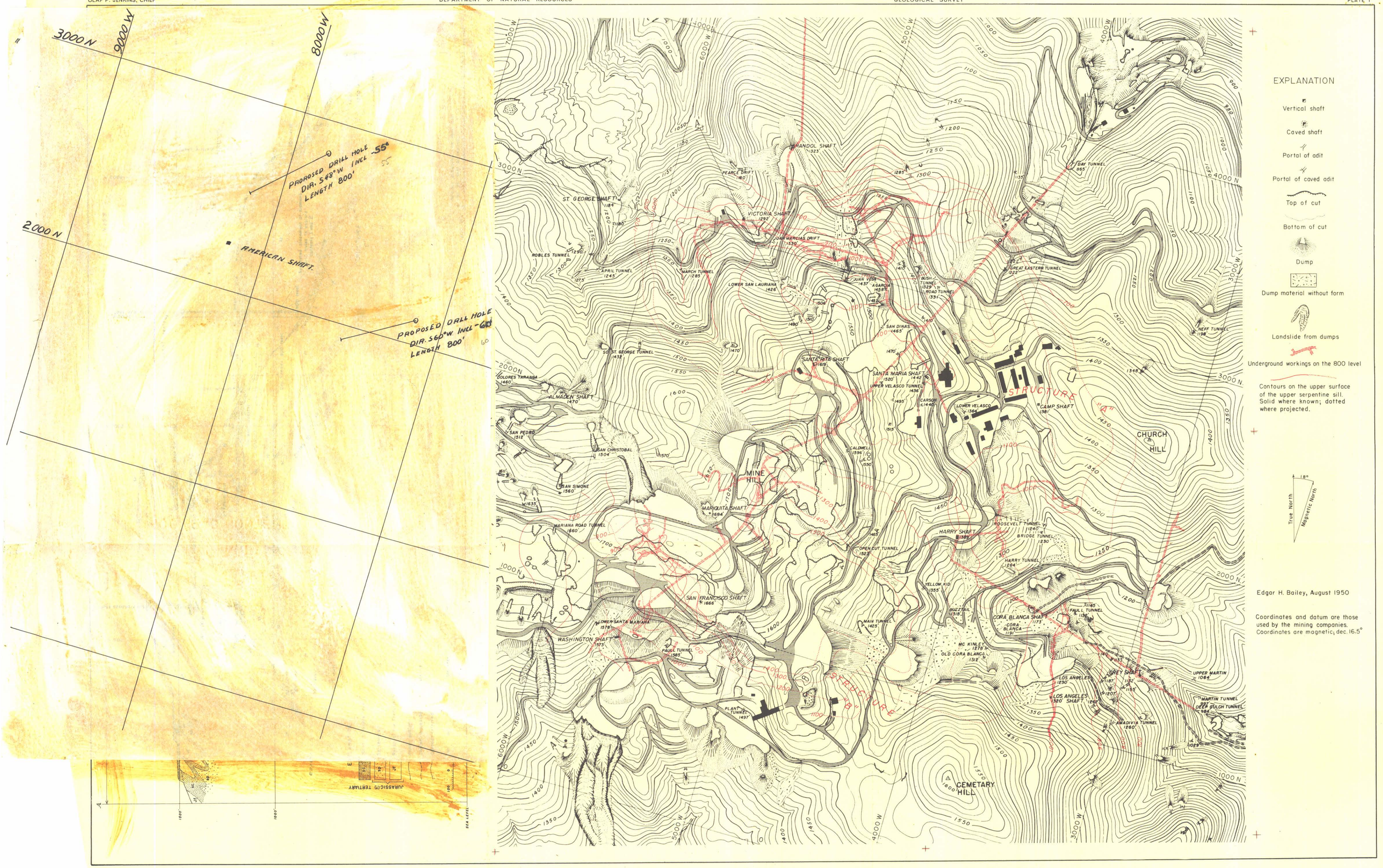
SHEET NO.:

PAY PERIOD ENDING: 2-29-52

Name and Identification / Social Security Number	Empl. Class.	Withld Deduct Code	Date and Hours (16 17 18 19 20 21 22 23 24 25 26 27 28 29)	Reg. Hours (B&D)	Over. Hours (C&E)	Rate	Total Amount Earned	Regular Taxable Earnings B	Overtime Taxable Earnings C	Non-Taxable Regular Earnings D	Non-Tax Over. Earning E	State Ind. or State Unempl. F	Federal O. A. B. G	With-Hold. Tax H	Board J	Rent L	P	Suppls. S	Advance T-1	Misc. (Poll Tax, etc.) T-2	Net Amount Paid
546-03-3481A HERBERT J. F. MITCHELL		3	Almaden Mine MONTHLY			550.00	275.00	275.00				2.75	4.13	38.30							229.82
546-03-3478 DOUGLAS GARDELIUS		2	Almaden Mine MONTHLY			400.00	200.00	200.00				2.00	3.00	29.90							165.10
558-36-8065 STANLEY H. MITCHELL		1	Almaden Mine 8 - 8 8 8 8 8 8 - 8 8 8 8 8	96	16	.75 1.50	156.00	144.00	12.00			1.56	2.34	26.00							126.10
556-01-7643 WALTER L. ROBB		2	Almaden Mine 8 - 8 8 8 8 8 8 - 8 8 8 8 8	96	16	.75 1.50	156.00	144.00	12.00			1.56	2.34	20.50		7.00					124.60
564-05-7804 ALBERT W. McFARLAND		5	Almaden Mine 3 - 8 8 8 8 8 8 - 8 8 8 8 8	96	16	.75 1.50	156.00	144.00	12.00			1.56	2.34	3.80		7.00					141.30
541-22-4269 DONALD L. CURRY		1	Almaden Mine MONTHLY			325.00	162.50	162.50				1.63	2.45	26.80		7.00					124.62

TOTALS	Total Amt. Earned	B	C	D	E	F	G	H	J	L	P	S	T-1	T-2	Net Amount

Form SP-171 Printed in U.S.A.



MAP AND CROSS SECTION OF PART OF THE NEW ALMADEN MINE AREA, SANTA CLARA COUNTY, CALIFORNIA
SHOWING STRUCTURES FOR SUGGESTED EXPLORATION