DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 766

DMEA NO. 354

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

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

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

Additional Folders:

Left Side

Folders No. _____ : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. 2 : Royalty material

17963

DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 766

DMEA NO. 3541

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project summary (final)
- [ ] Work Comoleted analysis (final)

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

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

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

Inactive all 1960 (2-15-61)

17863

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-8766, Docket DMEA-3541 (mercury), dated February 28, 1955, with

Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, California

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Oceanic Mine located in San Luis Obispo County, California, during the period April 15, 1959, through July 30, 1962.

A certification of discovery or development was issued on February 8, 1957, and, in accordance with Article 7 and Amendment No. 1 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated September 18, 1956, indicated accepted costs under the exploration contract amounting to $6,639.00 with the Government's contribution on a 75 percent basis being $4,979.25.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through April 14, 1959, to be $10,058.65. The royalty account as of April 14, 1959, was:

Total Royalty Payable	$502.93
Total Royalty Paid	502.93
Balance of Royalty Due	$ -0-

As of July 30, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$502.93
Total Royalty Paid	502.93
Balance of Royalty Due	$ -0-

August 9, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land under the contract consists of three patented claims (Sulphur Springs, Second Claim, and Bristoll-Morss) in secs. 15 and 16, together with certain other parcels in secs. 16 and 21, all in T. 27 S., R. 9 E., M.D.B.&M., San Simeon Mining District. At the time the contract was executed the Operator was in possession by virtue of an August 4, 1954, lease with option to purchase from Ernest and Henry Curti. In consideration of the contract, the landowners executed an Owner's Consent to Lien on March 19, 1955.

Exploration work under the contract was completed during July 1956. Selective mining of about 500 tons of ore during the exploration period and shortly thereafter yielded 33.81 flasks of mercury on which $8,117.46 was realized. All operations were suspended in the latter part of 1956. A resumption of work for a short period in the last six months of 1957 resulted in the production of 8.9 flasks of mercury, which was sold in April 1958 for $1,941.19. These sales are covered by a prior Report of Royalty Review.

The Operator gave up his lease on September 25, 1958. Thereafter, the landowners leased the property for two months for exploratory drilling purposes to R. L. Ruda and Harold Biaggini, San Luis Obispo, California. There was no production by these lessees.

In a July 30, 1962, reply to a MME Form 63 inquiry, one of the landowners (Henry Curti, Box 696, Cambria, California) advised that there had been neither production from the property nor change in ownership or lease status.

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

(1) The files indicate that there has been no production from the property during the period covered by this review; and

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

APR 25 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reveiwed all Finance Office copies of settlement statements with the Executive Officer, OME Field Team, Region II, Reno, Nevada, pertaining to Contract No. Idm-E766, Docket No. IMEA-3541 (Mercury), dated February 28, 1955, including Amendment No. 1, with

Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, California

for the purpose of determining the amount of royalties due the U. S. Government on sales of mercury from property known as the Oceanic Mine, located in San Luis Obispo County, California, during the period February 1, 1957 to April 14, 1959.

A certification of discovery or development was issued on February 8, 1957, and accordingly royalty is payable on all production from land described in Article 2 and Annex 1 of the contract, and paragraph 4 of Amendment No. 1 of the contract stipulates royalty repayments will be for 11 years from date of contract. A Report of Review in lieu of a final audit dated September 18, 1956, indicated accepted costs under the exploration contract amounting to $6,639.00 with the Government's contribution, on a 75 percent basis, being $4,979.25. The scope of review and reasons therefor are stated in the attachment to this report.

My review established the total sales of mercury for this period to be $1,941.19. Royalty due the U. S. Government at the contract rate of 5 percent is $97.05. A prior review made by this auditor for the period February 28, 1955 to January 31, 1957, found the sales as of the last date to be $8,117.46, which added to the sales for this period made a total of $10,058.65 as of April 14, 1959. The royalty account as of January 31, 1957, was

Total Royalties Due	$405.88
Total Royalties Paid	405.88
Balance Royalties Due	$ -0-

As of April 14, 1959, the royalty account of this project was found to be

Total Royalties Due	$502.93
Total Royalties Paid	502.93
Balance Royalties Due	$ -0-

George Mavor
George Mavor, OME Auditor

April 23, 1959

RECEIVED
MAR 2 1959
ASSOC. SOLICITOR
MINERAL RESOURCES

DESCRIPTION OF THE REVIEW
AND STATEMENT OF JUSTIFICATION

Idm-5766 Frank Vollmer IMEA-3541

My review included a tabulation and recomputation of all mercury sales as shown in settlement statements, and a conference with the engineer who had made periodical inspections of the project.

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

(a) The production involved was incidental to the exploration operations.

(b) The mine was idle, when last visited by the Examining Engineer on November 8, 1958.

(c) The Examining Engineer is of the opinion that all sales of mercury produced during the period February 28, 1955 to April 14, 1959 for which settlement sheets have been released, have been properly accounted for.

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

Note:

Mr. Ernest Curti, owner of the mine, advised the Examining Engineer on last visit November 8, 1958, that the mine had been subleased to Mr. H. J. Biaggini, who plans exploration work.

Check Sheet of Examining Engineer

Operator's Name **Frank Vollmer**

Address **2726 Redondo Beach Blvd.**

Redondo Beach, California

Exploration Contract No. **Idm-E 766** Docket No. **DMEA-3541**

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

8. Comment on any item 2 (b) to 6 if answer is No.

The mine was idle when visited November 8, 1958. Mr. Ernest Curti, owner, stated that Mr. H. J. Biaggini had subleased the mine and plans exploration work.

B. H. Sheahan

B. H. Sheahan
Mining Engineer

Date **April 13, 1959**

82448

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST REPORT OF ROYALTY REVIEW

I have reviewed all Finance Office copies of settlement statements with the Executive Officer, DMEA Field Team, Region II, Reno, Nevada, pertaining to Contract No. Idm-8766, Docket No. DMEA-3541 (Mercury), dated February 28, 1955, including Amendment No. 1, with

Frank Wallner
2726 Redondo Beach Blvd.
Redondo Beach, California

for the purpose of determining the amount of royalties due the U. S. Government on sales of mercury from property referred to as the Oceanic Mine, located in San Luis Obispo County, California, during the period February 28, 1955 to January 31, 1957.

A certification of discovery or development was issued on February 8, 1957, and, in accordance with the contract royalty is payable on the net smelter returns or other net proceeds realized from production as a result of such discovery or development during a maximum period of 11 years from the date of contract as stipulated in paragraph 4 of Amendment No. 1 of the contract. A Report of Review in lieu of final audit dated September 18, 1956, indicated accepted costs under the exploration contract amounted to $6,639.00 with the Government's contribution on a 75 percent basis, being $4,979.25.

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

(a) The production involved was incidental to the exploration operations.
(b) The examining engineer is of the opinion that all sales of mercury during the period February 28, 1955 to January 31, 1957, for which settlement statements have been released, have been properly accounted for.
(c) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

The review established the total sales of mercury for this period to be $8,117.46. Royalty due the U. S. Government at the contract rate of 5 percent is $405.88. The royalty paid and balance due are as follows:

Total Royalty Due	$405.88
Total Royalty Paid	405.88
Balance of Royalty Due	$ -0-

COPY
RECEIVED
DATE
3/18
CODE
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George Mavor WSM
George Mavor, Auditor

February 26, 1957

Check Sheet of Examining Engineer

Operator's Name Frank Vollmer

Address 2726 Redondo Beach Blvd.

Redondo Beach, California

Exploration Contract No. Idm-E 766 Docket No. DMEA-3541

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

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 4 195

DATE	INITIALS	CODE
3/18	WSM	400

Mining Engineer

Date 2/13/57

82448

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	Holt	400
2/4	Martin	400
2-6	Chambers	800
	Pitchkayan	140
2/8	Selridge	130
"	Johnson	110
		100
2/12		220

Lamb
Kilsgaard

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

Pursuant to the provisions of Exploration Project Contract No. Idm-E766, executed February 28, 1955, (Docket No. DMEA 3541), as amended, hereinafter called the "Contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration.

The nature of said discovery or development is described broadly or indicated as follows:

Diamond drilling and bulldozer trenching on the Oceanic mine claims have indicated the presence of mercury ore occurring as cinnabar-bearing pods and lenses in silica-carbonate rock and serpentine in a mineralized shear zone along and near the Oceanic fault.

THE UNITED STATES OF AMERICA

Dated: FEB 8 - 1957

By C. Mitchell
Administrator, Defense Minerals
Exploration Administration

SPHolt:am 2-4-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II
Messrs. Lamb - Rm. 3608
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

cc to: Finance Office
Audit Division
Mr. Johnson
Mr. Fredell, GSA

Mr. Ernest Curti and
Mrs. Mina C. Curti

Henry Curti and
Marina Ida Curti

8623

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/6/66	Kirkham	120 K
		110
		120

MAY 9 1966

Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

Re: MMEb-3141 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Ldn-2766

Dear Mr. Vollmer:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 8, 1957, all minerals mined or produced from February 28, 1955, to February 28, 1966, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Mr. Henry Curti, P. O. Box 696, Cambria, Calif.
Director's ReadingFile
Division File
Economic Geology File
DMEA Docket
Br. of Budget and Finance, 5408
Region II w/incoming 63 and ltr dated 4/29 from Ray A. Gallo
OME Reading File
120M
MMerrithew/mm (5/6/66)

23263

400

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, California

WSM

pertaining to Exploration Project Contract No. Idm-E766, Docket No. DMEA-3541, including Amendment No. 1, for the months of May and June 1955, and July 1956, covering a project for the exploration of mercury, on property, known as the Oceanic Mine, located in San Luis Obispo County, California.

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

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

> All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually performed.

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

Total cost as billed by contractor	$6,639.00
Exceptions	-0-
Total accepted Cost	$6,639.00

The contract calls for a 75% participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four Thousand Nine Hundred Seventy Nine and 25/100 Dollars:

** $4,979.25 **

is considered valid and proper, provided 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.

George Mayer
George Mayer
Auditor

September 18, 1956

Docket Copy

B

EXPLORATION PROJECT CONTRACT
FRANK VOLLMER
DOCKET NO. DMEA-3541

Amendment No. 1

It is agreed this 6th day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Frank Vollmer, that Exploration Project Contract No. Idm-2766 (Docket No. DMEA-3541), dated February 28, 1955, is amended as herein specified:

1. On page 1 of Exhibit "A" of the Contract, under Description of the Work, delete the second and third paragraphs and substitute the following three paragraphs:

The work consists of bulldozing an access road to a diamond-drill site near the center of the common end line of patented lode claims Lot 38 and Lot 39, diamond drilling therefrom, and surface bulldozer-trenching.

Four (4) diamond-core holes shall be drilled as follows:

Hole	Approximate Bearing	Approximate Dip	Depth of Hole
1	N 30° E	Horizontal	163 feet
2	N 50° E	Horizontal	177 feet
3	N 70° E	Horizontal	143 feet
4	N 30° E	-20°	201 feet
		Total footage	684 feet

The area, shown in brown on the map entitled "Oceanic Mine, San Luis Obispo County, California," numbered DMEA-3541 (Mercury) and attached hereto and made a part hereof, which is approximately 200 feet by 70 feet between the haulage road and the outcrop of silica-carbonate rock in the main open cut, shall be trenched with a D-8 bulldozer. The trenching shall start at the intersection of the silicified portion of the shear zone and the haulage road and proceed along a bearing of S 55° E so as to expose the shear zone to the main open cut.

2. On page 2 of Exhibit "A" of the Contract, the paragraph under the heading Fixed Unit Costs, is changed to read as follows:

Indexed 2/28/56
Dunyon
Appd Sol. Off.
McMahon
Martin
Chamberlin
Selfridge
F H Johnson

684 feet diamond-core drilling @ $6.30/lineal foot	$4,309 20	
180 hours trenching with a D-8 Bulldozer @ $12.94/hour (rounded to)	2,329.80	
Estimated Total Cost		$6,639.00
Government Participation @ 75%		$4,979.25

3. The time for completion of the work, as specified in Article 3 of the Contract, is hereby extended from August 1, 1955, to August 1, 1956.

4. The period for royalty payments and liens to secure the payment thereof, as specified in Article 7 of the Contract, is extended to eleven years.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C Mattendorf
Administrator, Defense Minerals
Exploration Administration

Frank Vollmer
Frank Vollmer

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of California, County of [illegible], described ~~as follows:~~ 1/ in a lease dated [illegible], recorded [illegible] in book [illegible] vol. 77 page [illegible] official records of said county

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

2/ [illegible]

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 19 day of March 1955.

Henry Curti [Seal]

Ernest Curti [Seal]

Nina Curti [Seal]

Marina Curti

Docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3541

Commodity Mercury

Contract No. Idm-E 766

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 28th day of February, 195.5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Frank Vollmer, whose mailing address is 2726 Redondo Beach Blvd., Redondo Beach, California, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.* (a) The land which is the subject of this contract (hereinafter called "the land") is in the State of California, County of San Luis Obispo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee-optionee of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: .....

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Owner's Consents to Lien signed by Ernest Curti and wife, Alma C., and Henry Curti and wife, Marina Ida.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mercury The work to be performed is described in Exhibit "A." The Operator on or before April 1, 1955 shall commence the work, and on or before August 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $6,639.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $4,979.25: *Provided,* That until the Operator has rendered to the Government his final report, 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Frank Vellner
(Operator)

By O. Mitteudorf
Administrator, Defense Minerals Exploration Administration

Rubin
Hoffman
App. Sol. Off.
Murphy
Ellis
Chambers

By Frank Vellner
Operator

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

.....

[CORPORATE SEAL]

Selfridge
Hoffman

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
FRANK VOLLMER
DOCKET NO. DMSA-3541

ANNEX I

The land referred to in Article 2 of the Contract consists of three parcels of land in T. 27 S., R. 9 E., M. D.B.&M., San Simeon Mining District, and in the County of San Luis Obispo, California, as follows:

Parcel 1

The entire interest in three patented lode mining claims located in sections 15 and 16, and recorded, on August 30, 1899, in Volume "G" Book of Patents, as follows:

Lot No. 40, "Sulphur Springs Quicksilver," at page 288.

Lot No. 38, "Second Claim Quicksilver," at page 298.

Lot No. 39, "Bristell and Morse Quicksilver," at page 293.

These claims are shown on a map, "Figure 1," attached hereto and made a part hereof.

Parcel 2

The mineral rights in:

SE¼ of NW¼ of Section 16

S½ of NE¼ of Section 16

SE¼ of Section 16

N½ of NE¼ of Section 21

recorded in Liber 74 of Deeds, at page 605 et. seq.

Parcel 3

The mineral rights in the N½ of NW¼ of NW¼ of the NE¼ of Section 16.

The above three parcels of land were leased by an instrument dated August 4, 1954, by Ernest and Henry Curti, and their wives, to the Operator for a period of 10 years, renewable for a like term. The Operator, under said instrument, also has the option to purchase the land during the term of the lease .

EXPLORATION PROJECT CONTRACT
FRANK VOLLMER
DOCKET NO. DMRA-1541

EXHIBIT "A"

Description of the Work

The object of this project is to explore, at depth, a mercury-bearing serpentine and silica-carbonate deposit which has been exposed on the surface in a trench, cut with a bulldozer, along the strike of the "Oceanic Fault" contact zone (see Figure 2 attached).

The work consists of bulldozing an access road to a diamond-drill site near the center and common end lines of the patented lode claims Lot 38 and Lot 39; and diamond drilling therefrom.

Six (6) diamond-core holes shall be drilled, as follows:

Hole	Approximate Bearing	Approximate Dip	Approximate depth of hole
1	N 30° E	Horizontal	160 feet
2	N 50° E	"	160 "
3	N 70° E	"	180 "
4	N 30° E	- 20°	170 "
5	N 50° E	"	170 "
6	N 70° E	"	190 "

Total footage--approximately 1,030 feet

The approximate location of the drillsite and direction of the drill holes are shown on a map entitled "Figure 2, Oceanic Mine, San Luis Obispo County, California," attached hereto and made a part hereof.

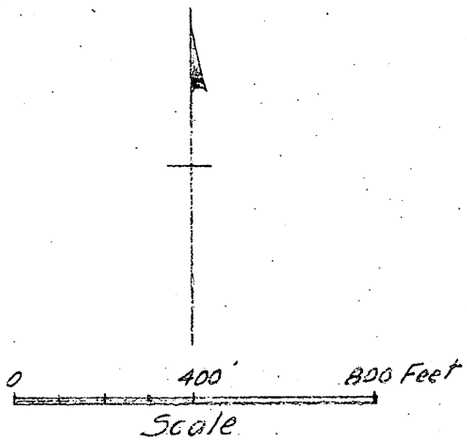
Both drill core and cuttings shall be saved for study or analysis. All core and cuttings recovered

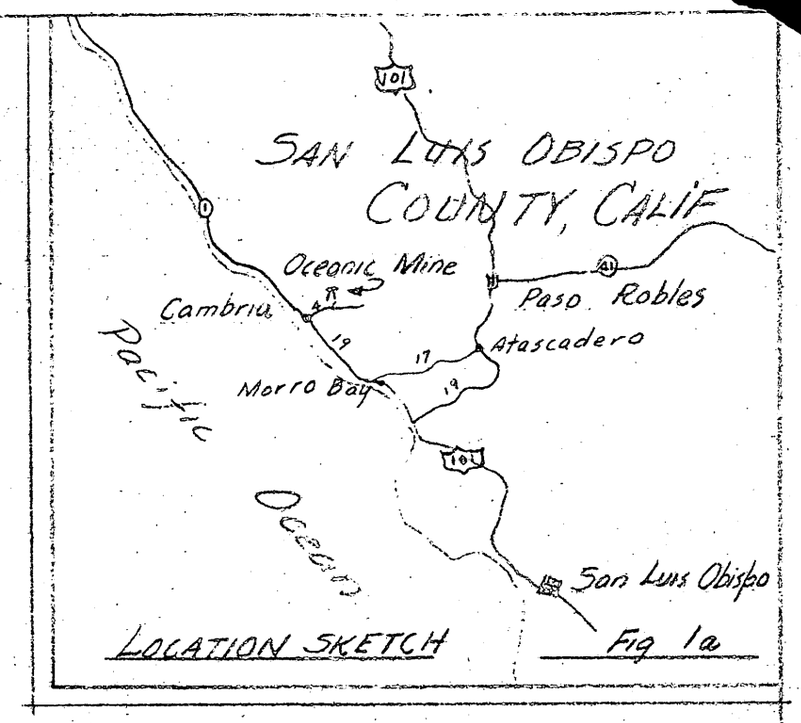
shall be split into two halves, and one-half shall be retained by the Operator who shall have all mineralized sections of the core and the cuttings assayed for their mercury content. The other half of the core and the cuttings shall be stored for the use of the Government.

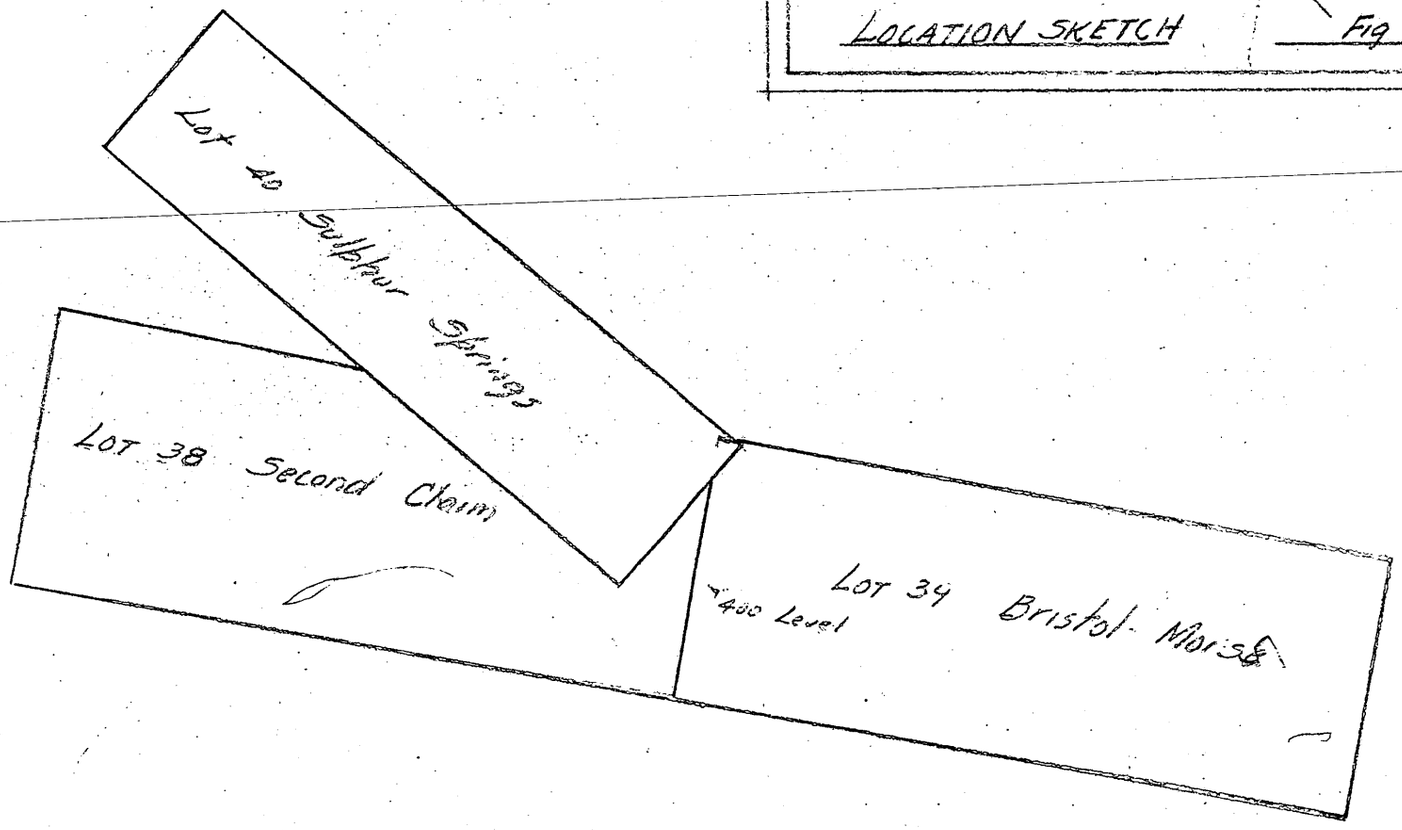
The first 10 feet of each diamond drill hole shall be started NX core size and thereafter shall be drilled NX core size to the bottom. However, with prior written approval of the Government the core sizes may be reduced from NX to BX and from BX to AX. The location, inclination, direction, and extent of all drilling are subject to Government approval.

Fixed Unit Costs

1,030 feet diamond-core drilling @ $6.30 per lineal foot	$6,489.00	
30 mercury assays @ $5.00 each	150.00	
Estimated Total Cost of Project		$6,639.00
Government participation @ 75%		$4,979.25







Location Sketch & Claim Map Oceanic Mine, San Luis Obispo Co. Calif.
DMEA 3541 (Mercury) (From Applicants Map.)

Figure 1a & 1b

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1954

2726 Redondo Beach Blvd
Redondo Beach, California

October 14, 1954

Mr. C. O. Mettendorf
United States Department of the Interior
Defense Minerals Exploration Admi nistration
Washington, 25
D. C.

Dear Mr. Mettendorf;

Enclosed herewith in quadruplicate you will please find applications for a development loan on the Oceanic Mine, Cambria, California, with appended sheets and three copies of a report by Mr. C. P. Keegel. I would like to have the reports returned.

See letter to applicant written 10/29/54 by Mr. Ellis

You will also please find enclosed four copies of my lease agreement covering the property. I would like to request wiver of owners consent to lein and I shall be glad to furnish such proof of my own responsibility ot perform in leiu thereof as you may require.

We anticipate that if the proposed work is accomplished, a favorable production possibility will exist. In such case, we intend to make further application for a loan covering the underground phase proposed by Mr. Keegel in his report.

I am also interested in knowing whether or not it is still the policy of your organization to grant production loans following a successful loan for development.

We are quite anxious to proceed with the development of this property as soon as possible and your cooperation in expediting consideration and the investigation will be much appreciated.

Most Sincerely yours,

Frank Vollmer

Frank Vollmer

cc: Sen. Geo. W. Malone
Rep. Clifford Young

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
OCT 21 1954

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3541
Metal or Mineral Mercury
Date Received
Estimated Cost $21,778
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, California

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Second Quicksilver patented lode claim; Quicksilver Lode Claim; Bristol & Morse lode claim; all patented, designated lots 38,39,40; Volume "G" p 288,298 and 293 of patents San Luis Obispo County, Cal. Also SW¼ of NW¼; S½ of NE¼ Sec.16 and N½ of NE¼ Sec.21 Twp 27N; Rge.9E MBDM also two other parcels, see appendix 1 of report attached.

(*b*) State any mine name by which the property is known. Oceanic Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lease, ten year period, see attached copies of lease

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....
Mercury

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 10 days and be completed within 4 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—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 the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated Oct. 14, 1954

Frank Vollmer
(Applicant)

By .....

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—66551-1

Application for Loan
by
Frank Vollmer

This application for a development loan applies to the Oceanic Mine, Cambria, California.

c) The applicant is a Lessee of the above property, described on Appendix 1 of the attached report and in the accompanying lease.

d) Copy of lease is attached

Physical Description

a) Please refer to attached report. The property is readily accessable for examination with roads to within 500 feet of the exposed outcrop in good condition and equipment access roads to the outcrop. The work to date has been surface exploration using bull dozer, constructing roads, and opening the north drift shown on the plan.

b) There are no known positive or probable ore reserves. The mine is inactive. More than 40,000 flasks have been produced. The rate was 75 tons per day of ore at 5-6 lbs Hg per ton. The applicant claims discovery of a new ore body. The old workings extended 500-600 feet in length and 700' in depth and 15' to 40' wide. See report.

c) The deposit occurrs in Miocene sediments consisting of a coarse gray Sandstone and fine shaly types which have been moved to a vertical position, striking N 65-70 West. The known ore shoot in this formation has been unusual in its uniformity with respect to Hg content; please see attached report.

d. The property has an excellent location being only one mile or less from a paved highway and thence about 4 miles to the town of Cambria, California. There is a good supply of labor in this and the surrounding area. It is not necessary to erect any camp or similiar facilities at the mine. The nearest railroad shipping point would be San Luis Obispo, about 32 miles

d) south from Cabbria. Communications are excellent.

e) There is a good supply of labor local y available and some experienced miners. Power is readily available from a new power installation near San Luis Obispo, former rates are quoted at 1.75 cents per kwh during the former operation.

The Exploration Project

a) Mineral exploration is for the purpose of the development of Mercury.

b) Attached, in the report, will be found a plan showing the intended development. It is intended to drill 6 holes which will explore the structure along a strike length of about 250 feet and at a horizon about 180 ' below the elevation of the known ore outcrop. Two holes will explore at a strike length of 50 feet and at a horizon about 100 feet below the known outcrop. Two additional holes, provided the above so indicate, will be driven to a horizon about 330' below the outcrop and a strike distance of about 160 feet apart.

The total footage tombe drilled is 3,200 feet. Surface exploration will continue for a two weeks period.

c) The work will start about ten days after loan is completed and be terminated 4 months thereafter.

d) The applicant has been a successful producer of Manganese ores, and has been successfully engaged in the excavation and transportation business in the Los Angeles area for many years. He can supply excellent references. The Engineer in charge will be Mr.C.P.Keegel who will actively direct the development. Mr. Keegel is a fully accredited engineer, licensd and has more than 16 years experience in the mining field in all capacities with three positions of management the last of which was as Manager for Cuban operations of Basic Refractories Incorporated from whom references are available.

6. Estimate of Costa

Because of the number of holes required, the necessity of angle holes, and the character of the material, it is estimated that the drilling cost will be $6.00 per foot. A comparative average figure for the Plateau area is $4.00 per foot but this is under vertical hole conditions and usually larger over all contracts. The BBR drilling Company, St. Clairsville, Ohio have a rig available in the west for the job; they are major eastern contractors whose record is open to check. see cost sheet attached.

7 a) The applicant is willing to furnish his share of the costs with such contribution being the surface work and thereafter the cash requirement for the drilling in the amount of 25% of the total.

6. Estimate of Costs

Core Drilling 3,200 feet at $6.00 per foot Contract		$ 19,200.00
Surface Exploration and Engineering:		
Consultant at $300.00 per month, part time, with $100.00 to be allowed for travel expenses. four months	1,600.00	
Surface Excavation:		
D-7 Tractor, 40 hours at 12.00/hr.	480.00	
Surface Labor for hand trenching and Sampling 2 weeks	208.00	
Foab, unemployment, Ind Ins.	25.00.	
Total Cost of surface excavation	713.00	
Sampling, Analyses:		
60 samples at $3.00 ea.	180.00	
Labor required (5 man shifts) $2.00 hr. 52/week	85.00	
Total for sampling	265.00	
TOTAL ESTIMATED COST		$21,778.00

The Lessee will furnish the surface work, engineer, and sampling cost amounting to $ 2,578.00. He will then contribute the balance required, $ 5,444.50 less 2,578.00, or $ 2,866.50 to the core drilling project.

Mineral Administration
RECEIVED
AUG 24 1954

L E A S E

T H I S I N D E N T U R E, made this the 4th day of August, 1954, between ERNEST CURTI and MINA C. CURTI, his wife, and HENRY CURTI, and MARINA IDA CURTI, his wife, Cambria, San Luis Obispo County, California, Lessors, and FRANK VOLLMER, 2726 Redondo Beach Boulevard, Redondo Beach, California;

W I T N E S S E T H: That the said Lessors, for and in consideration of the sum of Ten Dollars ($10.00) lawful money of the United States paid to the Lessors by the Lessee, receipt whereof is hereby acknowledged and all the royalties hereinafter reserved and the covenants and agreements hereinafter set forth, and to be kept and performed by Lessee, has granted, demised and let, and by these presents does grant, demise and let unto the said Lessee, all of the following described mine and mining property situated in the San Simeon Mining District, San Luis Obispo County, California, which the said Lessors do represent and claim ownership in fee, to wit:

PARCEL I:

That certain mining claim or premises known as the Sulphur Spring Quicksilver Lode Mining Claim, designated by the Surveyor General as Lot No. 40, embracing a portion of Section 15, Township 27, South, of Range 9, East, Mt.Diablo Meridian, in the San Simeon Mining District, in said County, and more particularly described in the patent to the said Mining Claim recorded August 30, 1899, in Volume "G" of Patents, page 288, in the office of the County Recorder of said County; that certain mining claim or premises known as the Second Claim Quicksilver Lode Mining Claim, designated by the Surveyor General as Lot No. 38 embracing a portion of Sections 15 and 16, in Township 27 South of Range 9 East, Mt.Diablo Meridian, in the San Simeon Mining District, in said County, and more particularly described in the patent to the said Mining Claim recorded August 30, 1899, in Volume "G" of Patents, page 298 in the Recorder's Office of said County; that certain mining claim or premises known as The Bristoll and Morss Quicksilver Lode Mining Claim, designated by the Surveyor General as Lot No. 39, embracing a portion of Section 15, Township 27 South, of Range 9 East, Mount Diablo Meridian, in the San Simeon Mining District, in said County, and more particularly described in the patent to said claim recorded August 30, 1899, in Volume "G" of Patents, page 293, of the Recorder's Office of said County:

Together with all the dips, spurs and angeles, and also all the metals, ores, gold and silver bearing quartz, cinnibar, or other ores bearing quicksilver, or other metals, rock and earth therein, and all rights, privileges and franchises thereto incident, appendant, and appurtenant, or therewith usually had and enjoyed and, also, all and singular the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining.

PARCEL 2:

The Southeast Quarter of the Northwest Quarter; the South Half of the Northeast Quarter, and the Southeast Quarter of Section16; ~~and the~~ North Half of the Northeast Quarter of Section 21, all of Township 27 South of Range 9 East, Mount Diablo Meridian, together with all the improvements thereon;

Saving, excepting and reserving any surface rights in the foregoing real estate conveyed by deed dated May the 17th, 1907, from Oceanic Quicksilver Company to Guiseppe Curti, and recorded in Liber 74 of Deeds, at page 605, et seq., in the Recorder's Office of said County of San Luis Obispo.

PARCEL 3:

All the mineral rights acquired and owned or possessed by the Grantor herein and/or Oceanic Quicksilver Co.,Inc., in and to the North Half of the Northwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 16, in Township 27 South, of Range 9 East, Mount Diablo Meridian;

Together with all the dips, spurs and angeles, and also all the metals, ores, gold and silver bearing quartz, cinnibar, or other ores bearing quicksilver, or other metals, rock and earth therein, and all rights, privileges and franchises thereto incident, appendant or appurtenant or therewith usually had and enjoyed, and, also all and singular, the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining.

Also, all rights of way, and easements, and all other lands, together with all the metals, ores, rights, privileges and franchises thereto belonging or in any wise appertaining, owned by said Grantor in Township 27 South, Range 9 East, M.D.B. and M., in the San Simeon Mining District, San Luis Obispo County, California.

Also, all buildings, pipelines and improvements of every kind thereat and thereon.

Together with the appurtenances therefore to have and hold unto the said Lessee for the term of ten (10) years from the date hereof expiring on noon of the 3rd day of August, 1964 unless sooner forfeited or determined through the violation of any covenant hereinafter against the said tenant, Frank Vollmer, reserved.

Lessee shall have the option to extend the within lease for a period of ten (10) years after the termination hereof on the same terms and conditions, and said option to purchase said mining claims shall be likewise extended.

And in consderation of the said demise the said Lessee does covenant and agree with the Lessors as follows, to wit:

To enter upon the said mine or premises, and work the same in the manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development

and the preservation of the said premises as a workable mine, and to the special covenants hereinafter reserved.

1. Lessee shall, commencing ten (10) days of the date hereof, enter and work the said property in the manner heretofore described for the purpose of sampling, drilling, excavating, and all like manner of work necessary to evaluate the mine or premises.

2. Lessee shall terminate all such work described directly above within ninety (90) days of the date hereof, and shall during the course of such work, not remove from the mine or premises any valuable ore except for the purpose of sampling and evaluating said property.

3. Commencing ninety (90) days from the date hereof, the Lessee shall work and mine the said premises for productive purpose of removing valuable ore from the premises under the terms and conditions set forth hereinafter.

4. The Lessee shall, within ninety (90) days of the date hereof, pay to the Lessors, the sum of One Hundred Dollars ($100.00) lawful money of the United States in consideration whereof he shall have the right to remove ore of a commercial grade from this mine or premises.

5. The Lessee shall, commencing Ninety (90) days from the date hereof and each month thereafter during the time this agreement is in force, pay to the Lessors the sum of $100.00 per month as a minimum royalty guarantee for the first year, and Two Hundred ($200.00) Dollars per month as a minimum royalty rental guarantee thereafter. Such payment shall not be continued when the sum of the royalty hereinafter described equals or exceeds said minimum royalty.

6. The Lessee shall occupy and hold all ores or parallel lodes, spurs or mineral deposits of any kind which may be discovered by the Lessee or any other person or persons under or in privity with the Lessee by working within or from the said premises as the property of the Lessors, with privileges to the Lessee of working them as part and parcel of the demised premises.

7. The development and operation of the said premises shall be in strict compliance with all of the laws of the State of California and the United States of America and of any other governmental authority appertaining to the employment of labor and to the development

operation, and equipment of mines and the Lessee shall at all times accept and comply with the provisions of the Industrial Insurance Act of the State of California, and also the Workman's Compensation Laws.

8. All bills and expenses incurred by the Lessee or those in privity with him, including, but not limited to, labor charges, social security, and industrial insurance, taxes or charges, shall be promptly paid by the Lessee to the end that no liens of miners, mechanics or materialmen shall accrue or be filed against the premises. The Lessee agrees not to allow or permit any miners', mechanics' or materialmen's or other liens or charges to be filed against or to become a charge against such mining claims or premises or any part thereof included in this agreement, nor shall the Lessee do or suffer to be done any act or thing whatsoever whereby the title to the said property, or any part thereof, shall in any way or manner be encumbered, assailed or clouded. The Lessee covenants and agrees that so long as this agreement or any continuance thereof shall be in full force and effect, he will pay all taxes and assessment hereafter becoming due and payable against the premises and property referred to herein, chargeable to operation expenses. Any failure to comply with the provisions of this clause shall be considered as a breach of this agreement.

9. The Lessee shall at all times keep posted upon the said premises notice signed in the name of the Lessors which shall set forth that the premises are leased to the Lessee and that the Lessors shall not be liable for any injury to, or death of any person upon the premises; that the Lessors will not be responsible for any labor performed, material furnished, or improvements or alterations made by the Lessee directly or indirectly, and to do for the Lessors any other things required or possible under the laws of the State of California to keep the said mining claims free of lien.

10. The Lessee shall pay the Lessors, in the manner immediately hereinafter provided, for rent and royalty for the said premises, the following royalty based on the average monthly ore extracted

or produced under this lease and removed from the premises, to wit:

Ten per cent (10%) of the net income from the sale of the ore and/or metal recovered and sold after the same has been mined and placed in a stock pile for the purpose of reduction or milling.

Payment of such royalty so computed and earned shall be made by the Lessee to the Lessors monthly, on or before the end of the next succeeding month for the full preceding month period and deposit shall be made of the sum to Bank of America National Trust and Savings Association, Cambria Branch, Cambria, California, or such other bank as may be mutually agreed upon.

11. Lessee shall take samples from each lot of ore prior to milling or smelting and cause the same to be assayed promptly. The Lessors shall have access to the records kept by the Lessee of all sampling and assaying of said ore. Duplicates of all samples taken by the Lessee for the purpose of determining the value of the ore milled or smelted shall be retained and at the disposal of the Lessors for a period of not more than sixty (60) days for the purpose of determining the accuracy of the samples given by the Lessee. The Lessors shall, at any time they see fit, have the right to have same checked by an independent assayer to be selected by both parties, whose assay and sampling results shall be taken as final.

The term net income heretofore described is understood to be the sum received from the sale of ore containing valuable minnerals and/or metal after the cost of processing, transportation and all other attendant costs have been deducted, but mining, excavation, stock-piling, administration and taxes shall not be a charge against the share payable to Lessors. It being the intention hereof that Lessors shall receive their 10% after the miners or metal have been mined, excavated and stock-piled, but prior to milling or reduction. The cost of milling and/or reduction may be deducted from the 10% payable to the Lessors, but Lessee shall mill and reduce all ores or metals mined or excavated and thereafter give Lessors their proportionate share of the monies received therefrom subject

to the above designated deductions.

12. Upon the violation of any of the terms and conditions hereof by the Lessee to be performed, and upon the expiration of thirty (30) days after written demand by the Lessors to the Lessee to remedy such default without the Lessee having diligently commenced to remedy and remove such default and thereafter exercising due diligence therein, this lease shall, at the option of the Lessors, be forfeited and terminated and shall thereupon, without any further notice or demand to the Lessee, expire and become void, and the Lessors or their agent may thereupon after demand in writing for possession, enter upon said premises and dispossess all persons occupying same. It is understood that all equipment and machinery which may be placed upon said premises by the Lessee may be removed therefrom within sixty (60) days after the expiration of this lease or the prior termination thereof as herein provided notwithstanding that any thereof may or may not be or constitute fixtures; provided that, however, no such equipment and machinery shall be so removed the removal of which would cause permanent damage to or injury to the property.

13. The Lessee may at any time during the term of this lease, upon payment of the sum of Ten Dollars ($10.00) lawful money of the United States to the Lessors, and upon giving said Lessors thirty (30) days written notice of his intention to do so, terminate this lease and quitclaim the premises to the Lessors.

14. Time is the essence of this lease.

OPTION

15. In consideration of the acceptance of the foregoing lease and the expenditures to be made thereunder by the Lessee, the Lessors do hereby grant and give unto the Lessee the exclusive right and privilege and option to purchase the property and premises herein described on page one of this instrument at any time during the term of said lease for the sum of One Hundred Fifty Thousand ($150,000.00) Dollars. That Lessee will give ten (10) days notice

in writing of his intention to exercise said option. That the rents or royalties hereinabove provided for shall continue to be paid until such time as an actual conveyance of the property hereinabove referred to shall be made from Lessors to Lessee. The Lessors shall then by competent instrument of conveyance transfer and convey to the Lessee all of the right, title and interest in and to said leased real property.

16. It is expressly understood that this AGREEMENT is an OPTION to purchase only, and not as obligating the said Lessee to purchase the said property.

17. Should the foregoing lease be terminated or forfeited for any cause whatsoever, then this option shall likewise and concurrently terminate also and any sum or sums received by the Lessors for royalty or otherwise shall be retained by the Lessors as liquidated damages and rent for the use of the said premises.

18. That Lessors do by these presents let, demise and grant to the Lessee such surface rights reasonable and necessary for ingress and egress, construction of camp buildings, administrative buildings, repair shops, warehouses, stores, process plant and similar structures; transportion of mineral, metal and/or equipment, together with the right and privilege of using such water as may be necessary either for domestic or process purposes which exist or may be construed to exist on said lands and for all purposes reasonable and necessary for the explitation and recovery of valuable mineral and/or metal on the mineral lands heretofore described. That the rights hereby granted shall be used exclusively for the benefit of the within premises.

19. Every term, covenant and condition of this indenture shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

20. The Lessee, his heirs or assigns, shall have the right to sell or assign this lease and option upon first advising the Lessors of such assignment or sale at least ten (10) days in advance of such act.

21. Any damage caused the hereby demised property during the 90-day exploration period shall be fully rectified by Lessee.

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

/s/ ERNEST CURTI

/s/ MINA C. CURTI

/s/ HENRY CURTI

/s/ MARINA IDA CURTI

LESSORS

/s/ FRANK VOLLMER

LESSEE

ENGINEER'S REPORT ON OCEANIC MINE, CAMBRIA, CAL.
PREP. FOR FRANK VOLLMER, by C.P. KEEGEL

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minerals Administration
RECEIVED
OCT. 21 1954

OCEANIC MINE

Location The Oceanic consists of three patented mining claims and mineral rights on fee land as described in Appendix 1 located in Secs. 15 and 16; T 27 S; Rge. 9 East MBDM.

The property is reached over a paved highway about 4 miles east of Cambria, San Luis Obispo County, California, on Santa Rosa Creek; It is less than one mile from the highway in a northerly direction.

The situation is almost ideal for an operation since there is no problem of access and it is not necessary to supply housing for a crew of men since they can be drawn from neighboring communities.

There is sufficient water available for all essential requirements. There is no local supply for mine timber.

History The original patents were signed by President Lincoln in 1865 and production started in 1876. The property was operated by the Anglo-American Mining Corporation, Edward A. Clark of New York, H. W. Gould, and most recently until the early war 11 period by the Archer Mining Company.

Almost the entire production, estimated in excess of 40,000 flasks ($12,000,000 at a price of $300.00 per flask) came from a single ore shoot. Except for one cross cut tunnel about 400 feet in length, very little development was ever done elsewhere on the mineralized zone.

The history of the property is covered in detail in the report XXXI of the California State Mineralogist and in other state publications.

History (Cont'd) In 1928, by the International Mercury Co., of Los Angeles a 4' x 60' Gould rotary furnace was installed replacing the Scott furnaces in prior operation. A winze was sunk to the 700' level and mining was in full production to 1932 when operations were suspended due to a low metal price. The rate of production was 75 tons per day and it was claimed that the recovery was 90 to 95% from average ore heads of 5 to 6.5 pounds per ton.

DEVELOPMENT Practically all work was limited to the ore shoot area and standard extractive processes were by means of Square Sets and Top Slicing. The only significant development was the northerly Cross Cut driven from the surface at a point less than 200' west of the main entry portal of the mine. This development, unfortunately was made in a shear zone such that there was no possible chance that any ore would be encountered, except for the possibility of drag material. Some very limited surface work was attempted, but apparently there was a sufficient reserve supply during the essential productive period and the last operators were apparently not sufficiently well financed to undertake a very important program.

A limited amount of work was done in the region of the ore shoot and a cross cut was driven into the north which was reported to have cut a small body of ore.

Surface Improvements The property is completely stripped of all mine surface plant and buildings. Mr. Vollmer has improved the existing roads so that there is access to the workings, but there are no habitable buildings, machinery, or equipment in existence.

Geology The ore occurrs in a medium grained sandstone and also in a fine grained shaly sandstone which is quite dark. The deposition was probably associated with igneous instrusives into the sediments (diorite gabbro) which are evident southward from the mine and elsewhere. The ore bearing sediments are of Miocene Age. There is a contact between the Miocene sediments and the Franciscan series north east of the old workings, the contact is a fault contact and with this are associated some rhyolite intrusives.

The attitude of the containing sandstones is about vertical with a strike position roughly N 70° West. The mineralization of the light grained gray sandstone is widely disseminated, although there are some channel concentrations with very irregular wall control (stratum effect) but values are consistent and without marked changed where observed. The "Mudstone", or fine grained shaly sandstone is reported to have the Cinnabar values contained largely as "nuggets" as replacements of fossils. Theory of genesis of the ore zone is that deposition was controlled or localized by the more impervious and overlieing Mudstone, presumably before the strata were uplifted to the vertical position. The writer can see no real support for this theory and regards the time of deposition to have been after, or nearly concurrent with, the deformation of the sediments and localized by the high relative porosity of the gray sandstone rather than and closure effect of the "Mudstone", since it has a relatively common occurance within that rock. Northerly localization control was probably by a Serpentine contact. The Principal mineral association with the Cinnabar is Calcite; The "Mudstone" contains some pyrite and petroleum, according to reports.

Where mined, the Oceanic ore shoot was remarkably consistent in mercury content, raking southeast, striking N 65 W, being 15-40 feet wide and 500 to 600 feet long, being mined to a depth of 700 feet.

The writer, on his first visit to the property, noticed the possbility for another ore shoot westerly from the one developed and surface stripping exposed another orebody. This had been displaced to the north a considerable distance by a transverse shearing. This faulting was of two periods being pre-mineral and post mineral with the greatest movement in the latter period. The post-mineral shearing continues further westerly agsin and has made a further northerly displacement in all probability. It is believed likely that the late movement was a block shift since a series of flat lying faults appear at a horizon approximately 250 feet below the exposed outcrop.

The discovery has no direct relation with the known shoot and is a distinct new shoot of ore confined by the pre-mineral transverse fault. Cinnabar content is consistent over a width of 14' in the gray sandstone and the "Mudstone" has not been sampled.

Early crosscut development failed to make a discovery because it was driven within a shear zone where, except for drag material, no possiblity to encounter the ore was possible.

It is quite likely that this shoot will extend only to the next westerly transverse fault and development will then have to be directed northerly again, but the distance range may well be several hundred feet.

Ore Reserve and Sampling

Ore reserves contained in the old workings were not investigated and the reopening for productive purposes of the original mine if undertaken has doubtful economic chance of success. The new outcrop, sampled over a length of 60 to 70', shows values from 0.26% across 14.5' to 0.72% across a width of 3.75' (See Sample Assays-Appendix 3). There is no positive ore in sight, There is no probable ore in sight, there is a prospective ore in the amount 150,000 tons at o.25% at reasonably conservative judgement based on the best present information and such prospective ore may be well over that figure.

It is emphasized that the writer did not limit sample widths in the case of No.2 and 3 because of structure, but only because the overbuden had not been completely removed to permit such sampling.

Development Recommendations

The property most emphatically justifies development expenditure and such work should be of three types:

a) Diamond core drilling of the vertical section under the newly discovered outcrops to determine both strike length and vertical extent of such body of ore.

b) Surface exploration and stripping on other possible outcrop zones further west from the present discovery.

c) Re timbering of the crosscut from the surface and the further continuation of that work to the proper point of intersection.

Phase a and b should proceed simultaneously and phase c should follow if indicated from core drilling. The latter (c) is both exploratory and also of possible extractive interest. Please refer to plan, Appendix 4. and to a detail of cost estimate, Appendix 5)

It is estimated that a total of at least 3,200 feet of Core Drilling will be $19,200.00. This cost is due to the attitude at which the drilling must be done, the length of the holes, and character of the terrain. It is proposed to drill four holes from the north side location a total footage of 900'; From the upper south location, 4 holes for a total footage of 800' and from the lower south side location, two holes at a total footage of 1,500'. Locations of these holes are indicated on plan, Appendix 4.

Development Recommendations (Cont'd) Concurrently with the drilling program, it is proposed that a surface stripping program be undertaken and a careful mapping schedule followed.

The cost of these two programs follows:

Diamond Core Drilling, 3,200 feet, Contract	19,200.00	
Engineering Services & Other, Contract	1,600.00	
Sampling and Assaying (180.00 Anal, 85.00 Labor)	265.00	
D-7 Tractor at $12.00/hr. 40 hr.. contract	480.00	
Surface Labor, one man 2 weeks	208.00	
FOAB, UNEMP., INS.	25.00	
TOTAL ESTIMATED COST		$21,778.00

It is estimated that the surface program of stripping would require two weeks of which about one week would be stripping and the remainder trenching by hand, sampling, and mapping. Core drilling requires 4 months. The last phase of the recommended development would include repairing the present north cross cut as shown on the accompanying plan, re-alligning where serious turns prevent efficient access, and continuing the 80' necessary to cut the ore body. There would then remain 100 feet of drift on the vein.

The cost of this program is estimated below;

Total Cost Cross Cut and Drift	$ 9,844.00
Sampling and analysis	145.00
TOTAL COST	9,989.00

For detail on the above, please refer to appendix No. 5

At least four months would be required to complete the underground phase. Total time elapse to completion would be approximately 8 months although the underground phase could begin at an early date if coreing was successful.

Development Recommendations, Cont'd.

The total cost of the recommended development above is	$31,767.00
excluding the surface work, the requirement is	31,054.00

Conclusions

The Oceanic mine has a good record of production at 40,000 flasks and the geologic situation is most favorable for the development of an entirely new ore body. Based upon past characteristics, it is likely that the new discovery will have similar uniformity and size. If only 150,000 tons are developed at 5 lbs per ton and at a final recovery of 4.5 lbs. Hg/ton with a market at $225.00 per flask (and it is much higher at the present time) the value of the recovered mercury would be $2,000,000.00. Under competent management, this could have a net value of more than $1,000,000.00 before taxes, and this figure, compared to the productive capacity of the single known ore body is modest indeed. As a further indication that the figures are realistic, the average Hg. contents of surface samples taken was 8.2 lbs Hg/ton; neverthless, the writer believes that the average grade formerly produced is a good criteria of what to expect.

One could extrapolate the above analysis to a present value and it is obvious that the cost of development at the figure shown is within good and prudent reason. It is assumed that the productive potential of the new discovery will be about 25% of the depleted zone in the above, which is quite low for expectancy under the circumstances. It should be pointed out that some considerable production can evolve from mining by surface methods.

The undersigned represents that he is a qualified Mining and Metallurgical engineer, fully accredited and licensed.

/s/ C.P. Keegel
Mining Engineer

TITLE OF PROPERTY

The title of the property described in this report rests with Ernest Curti and his wife, Nina C. Curti and Henry Curti and his wife Marina Ida Curti and consists of the three following parcels:

Parcel 1.
That certain mining claim or premises known as the Sulphur Springs Quicksilver lode mining claim, designated as Lot No. 40, embracing a portion of Section 15; Twp. 27 S. Rge 9 E. MBDM, in the San Simeon Mining District, San Luis Obispo County. The property is of record in that county August 30, 1899, Volume "G" of patents page 288.

Second Claim Quicksilver lode mining claim, lot No. 38, embracing a portion of Sections 15 and 16; Twp.27 S. Rge 9 E. MBDM., located in the above mining district and county, recorder August 30, 1899 in Volume "G" of Patents, p 298

Bristol and Morse Quicksilver lode claim, designated in lot 39, embracing a portion of Section 15, Twp. 27 S; Rge 9 E; MBDM, Recorded in the above district and county on August 30, 1899, Volume "G", page 293 of Patents.

Parcel 2.

The Southeast quarter of the Northwest quarter; the south half of the northeast quarter of section 16; and the north half of the northeast quarter of section 21, all of Twp. 27 N.? Rge 9 E MBDM as recorder in Liber of Deeds, p 605 et seq, San Luis Obispo County.

Parcel 3.

North half of the northwest quarter of the northwest quarter of the northeast quarter of section 16, Twp. 27 S; Rge 9 E. MBDm

Also all rights of way, and easements and all other lands together with all the metals, ores, rights and priveleges and franchises thereto belonging or in any wise appertaining, owned by the said grantors in Twp. 27 S; Rge 9 E. MBDM.

Also, all buildings, pipelines, and improvements of every kind thereat and thereon.

The above described lands were conveyed to Mr. Frank Vollmer, 2726 Redondo Beach Blvd., Redondo Beach, California in a lease for a period of ten years August 3, 1954 and the instrument executed and recorded in the Recorders Office, San Luis Opisbo County Recorder.

ED. EISENHAUER, JR.

ASSAYER -- METALLURGIST -- CHEMIST

320-322 South San Pedro St.

Los Angeles 13, Calif.

Oct. 9/54

Mr. Frank Vollmer

Subject: Assays of Ore.

Marked:	Mercury (hg)
1-A	.26 %
1-B	.36 %
3-A	.49 %
4-A	.72 %
5-A	.40 %
2-A	.55 %

Charges: $12.00

Respectfully submitted

/s/ Ed. Eisenhauer, Jr.

APPENDIX 3

Sample No.	Description	Hg.
1 A	Width 14.5', Location No. 1, see map.	0.26 %
1 B	Width 8'.5 Same location as above width from the north wall.	0.36 %
2-A	Width 4.5', see map, location No. 2 Does not represent full width which was not prepared for sampling.	0.55%
3-A	Width 3.5' see map, location 3, as above, this was only width exposed, not full width.	0.49 %
4-A	Width 3.75, see map, location 4, this was from the north wall, selected sample to check high pannings by Vollmer	0.72 %
5-A	Width 5.0', sample of a drag block at mapped location No.5, by Mr. Vollmer	0.40 %

DETAIL OF COST ESTIMATE

Core Drilling: Price is based on $6.00 per foot, estimate of BBR Drilling Company, St. Clairsville, Ohio.

Underground Cross Cut and Drifting (assume 3.5' daily advance)

Labor (48 hour week, 52 hour pay schedule) 1-miner @ $2.00, 2 helpers @ $1.75. per foot	$13.60	
Compressed Air operation 105 CFM	1.97	
Dynamite, Fuse, & Caps (3# duty/ton)	2.40	
Steel and Bits	1.60	
Repair and Maint.	.50	
Track and pipe	1.00	
Ventillation (Gas eng. flex tube)	.40	
Total Direct Cost per foot		$21.47
Timbering, Labor at .37 man shifts per foot or $1.80 materials at $1.20. Timbering is estimated to be necessary approximately 30% of the distance, Per foot timbered		3.00
Supervision $400.00 per month direct supervision av advance of 90'/mo.		4.45
Other, Consultant at $300.00 per month plus expenses		4.45
Clerical and accounting $75.00 month part time		.83
FOAB, State Unemployment, & Ind. Insurance		2.04
Total direct and Indirect Costs Excluding Timber// foot		$ 33.24

Cost of Project

Equipment 105 CFM new Compressor, drifter, hoses, steel, Mine Cars, small tools $ 6,025.00
Gasoline driven blower and flex. Vent tube included.

Estimated Cost of Amortization and Depr. based on 5 yr/ft $1.21

Repair and installation of timber to present heading

.30 x 400 or 120 feet at 3.00 ea	$360.00
Collar Sets 20 ft. at 3.00	60.00
200 ft Drifting (80' x cut, 100' on vein, 20 to allign old dr)	
200 x 33.24	6,648.00
Indirect costs, Eng. supv. Clerical, Dep.	2,596.00
Timber .30 x 200 or 60 at 3.00	180.00

Total Cost of Cross Cut and Dridt	$ 9,844.00

Total Time required 4 months (with re-timbering)

Core Drilling Cost 3,200 feet	19,200.00
Add. Engineering during 4 months required @ 400.00 $ 300.00 and expenses	1,600.00

Cost of Sampling and Assaying

40 samples from core drilling, 20 samples from drifting 20 samples from surface workings. Analysis 80 samples	240.00
Labor required 10 man shifts	170.00

TOTAL ESTIMATED COST OF PROPOSED DEVELOPMENT EXPENDITURES $31,054.00

~~110~~
220

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

GEOLOGICAL SURVEY

MAY 9 1966

Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-E766

Dear Mr. Vollmer:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 8, 1957, all minerals mined or produced from February 28, 1955, to February 28, 1966, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON, D. C. 20240

OFFICIAL BUSINESS

GEOLOGICAL SURVEY

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF THE INTERIOR

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- [ ] No such number
- [x] Moved, not forwardable
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Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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		110
		220

Mr. Henry Curti
P. O. Box 696
Cambria, California

Re: DMEA-3341 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-E766

Dear Mr. Curti:

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

This correspondence relates to the Owner's Consent to Lien executed by Henry, Ernest, Nina, and Marina Curti on March 19, 1955.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

MMerrithew/mm (5/6/66)
cc: Director's Reading File
Division File
Economic Geology File
DMEA Docket
OME Reading File
Region II
120M

23263

Law Offices of
CHARLES E. OGLE

CHARLES E. OGLE
RAY A. GALLO

770 FIFTH STREET
MORRO BAY, CALIFORNIA 93442
AREA CODE 805
TELEPHONE 772-7353

April 29, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 2 1966
INITIALS | CODE
120
HK 120 K

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

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-E766

Enclosed please find your Form 63, submitted to your office on behalf of Ernest Curti, Nina Curti, Henry Curti and Marina Curti.

This letter is to advise you that the property on which the United States has a lien was sold and the lease to the Pierces assigned to Joseph R. Neaves Jr. through an escrow in the United California Bank, 9601 Wilshire Boulevard, Beverly Hills, California, and escrow number 15621485-Mc. The escrow closed on March 14, 1966. The property was sold by the Curti family to Joseph R. Neaves Jr. for the sum of $100,000.00. In the same escrow Mr. Pierce for a consideration assigned his lease and option to purchase the property to Joseph R. Neaves Jr. The Curti family received the sum of $25,000.00 as an initial payment, with the balance due over a period of two years. The Curti family received a first deed of trust on the property, and the entire transaction was treated as a purchase money mortgage.

To the knowledge of the Curti family there has been no production to date at the mine, but there has been extensive exploration both by Mr. Pierce and Mr. Neaves. As part of this exploration there has been test coring, samples taken, and the extraction of quick silver from the samples taken. It is the Curti family and my information that of all the samples taken there has been approximately only one flask of mercury extracted.

If you desire any further information in this matter, please contact this office.

Ray A. Gallo

RAY A. GALLO

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

March 24, 1966

Mr. Henry Curti
P. O. Box 696
Cambria, California

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract Idm-E766

Dear Mr. Curti:

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

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMEA-3541
Idm-E766

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

From March 1965, to February 28, 1966

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

Is the lease of April 11, 1963, to the Pierces still in full force and effect? If not, please give details. (see letter attached) Yes/ /No/x/

Has the property been sold? If so, please give details. Yes/x/No/ /

From March 1965, to February 28, 1966

2. ~~Since~~ XXXXX , has there been any production from the land subject to the contract? Yes [ ] No [x]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by: CHARLES E. OGLE

Name By: RAY A. GALLO

Title Attorney at Law

Address 770-Fifth Street
Morro Bay, California

Date April 29, 1966

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/14/66	Kirkemo	120K
		110
		220

Mr. Ray A. Gallo
770 Fifth Street
Morro Bay, California 93442

APR 1 4 1966

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-8766

Dear Mr. Gallo:

We are in receipt of your letters of March 23 and 30, 1966, regarding the extent of obligations of your client, the Curti family, with respect to a DMEA contract with Frank Vollmer, former lessee of the Oceanic mine.

Under provisions of the contract, as amended, royalties on any production from the Oceanic mine property were due the Government until February 28, 1966, the expiration date of the Government's lien to secure royalties on production. In the event of a default on royalty payments by any lessee of the property, the Curti family as owner was responsible for payment of royalties under Article 2, as amended, of the Owner's Consent to Lien, Form MF 203 (copy enclosed), signed on March 19, 1955. The usual 10-year period of royalty obligation was extended one year by Article 4 in Amendment No. 1 to the contract.

The only remaining obligations of the Curti family are (1) to reply to the questions indicated on our Form MME 63, and (2) if there was any production until February 28, 1966, on which royalty is owing to the Government, either request the producer to reimburse the Government or itself pay any royalties due.

As soon as we have received a reply to our Form 63, an audit will be made, the Curti family will be officially notified of the cancellation of the lien on the property and on any production therefrom, and our records on this contract will be closed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File

HKirkemo/mm (4/13/66)

DMEA Docket
OME Reading File
Region II w/cys of incoming letters
Kirkemo
120M

23263

Law Offices of
CHARLES E. OGLE

CHARLES E. OGLE
RAY A. GALLO

770 FIFTH STREET
MORRO BAY, CALIFORNIA 93442
AREA CODE 805
TELEPHONE 772-7353

OFFICIAL COPY
D. M. E.

March 30, 1966

Department of Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

In reference to my March 23, 1966 letter and the receipt by the Curti family of your Form MME Form 63, this letter is to again request copies of the agreement between Frank Vollmer, a prior lessee of the real property and the United States, the owners' consent to lien and any extensions of this agreement or the consent.

Pending the receipt of this information I am holding your Form 63. The Curti family will furnish the information requested upon the receipt of the above requested documents.

As you know from my prior letter, the Curti family does not realize the extent of its obligations, and only the receipt of the requested documents will put them in a position to realize the extent of their obligations.

Thank you for your assistance.

RAY A. GALLO

RAG:s

Law Offices of
CHARLES E. OGLE

CHARLES E. OGLE
RAY A. GALLO

770 FIFTH STREET
MORRO BAY, CALIFORNIA 93442
AREA CODE 805
TELEPHONE 772-7353

March 23, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 25 1966

Department of Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Gentlemen:

I represent Ernest Curti, Nina Curti, Henry Curti and Marina Curti, who I am advised signed an "Owners Consent to Lien" your form number MF 203, which creates a lien on certain real property in the county of San Luis Obispo.

The above named persons do not have a copy of the contract between the United States and Frank Vollmer, a prior lessee, but they are informed that upon their conveyance of this property to another individual your office must be advised. This letter is to so notify you.

My clients and I, since we do not have a copy of the contract, do not know whether the lien remains outstanding on the property or whether it has lapsed. If it has lapsed, we would appreciate being notified as to the date on which it lapsed. I would also appreciate for my own file a copy of the contract referenced above. The property on which the lien was given, known as the Oceanic Mines, in addition to other property was transferred through escrow number 156-21483MC, United California Bank, 9601 Wilshire Boulevard, Beverly Hills, California, to Joseph R. Neaves, Jr., 239 South Beverly Drive, Beverly Hills, California, on March 14, 1966.

Ray A. Gallo

RAY A. GALLO

RAG:s

Form 7
(3)

OFFICIAL FILE COPY

Date	Surname	Code
12/10	Selfridge	120
"	Johnson	110
		220

Mr. John D. Hussey
Sheppard, Mullin, Richter & Hampton
458 South Spring Street
Los Angeles, California 90013

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-E766

Dear Mr. Hussey:

Your inquiry of November 23, 1965, to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region 2, has been forwarded to this office.

Royalty on any production from the Oceanic Mine property is due the Government until February 28, 1966. Our records presently show that $502.93 in royalty has been paid, leaving a balance of $4,476.32.

At the time the royalty period ends, an audit will be made and the owner will be officially notified of the cancellation of the lien on the property and on any production therefrom.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

GCSelfridge/gla (12-10-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region II
Mr. Selfridge
120M

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

December 7, 1965

OFFICIAL COPY
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Memorandum

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

From : Field Officer, OME, Region II

Subject: DMEA-3541 (Mercury)
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-R766

Enclosed are copies of letters from Sheppard, Mullin, Rickter, and Hampton, attorneys, requesting whether the contract has been terminated and relieved of royalty obligation. Your advice on the status of this contract will be appreciated.

Paul V. Fillo

Paul V. Fillo

Enclosures

cc:
Chief, OME, Wash., D. C.

Royalty period expires
3-28-66

SHEPPARD, MULLIN, RICHTER & HAMPTON
ATTORNEYS AT LAW
458 SOUTH SPRING STREET
LOS ANGELES, CALIFORNIA 90013

JAMES C. SHEPPARD (1898-1964)
J. STANLEY MULLIN
GEORGE R. RICHTER, JR.
GORDON F. HAMPTON
MYRL R. SCOTT
FRANK SIMPSON, III
WILLIAM A. MASTERSON
WESLEY L. NUTTEN, III
DAVID A. MADDUX
MERRILL R. FRANCIS
STEPHEN C. TAYLOR
JOHN D. HUSSEY
THOMAS R. SHEPPARD
JOHN A. STURGEON
WILLIAM A. HOGIE
DON T. HIBNER, JR.
PAUL M. REITLER
PIERCE T. SELWOOD
WALTER L. WILLIAMS, JR.

TELEPHONE
AREA CODE 213-620-1780
CABLE ADDRESS
"SHEPLAW"

IN REPLY REFER TO

No. 6358

November 23, 1965

Mr. Spangler Ricker, Executive Officer,
DMEA Field Team, Region 2
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3541 - Mercury
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-R766

Dear Mr. Ricker:

One of our clients is negotiating for the purchase of the Oceanic Mine property. We have been advised of the existence of a percentage royalty payable to the Government upon production from the mine. Enclosed you will find a letter dated February 11, 1957 relating to the percentage royalty.

We would appreciate your advising us as to the present status of the percentage royalty agreement. We are particularly concerned with the expiration date and the amount presently payable.

Your early advice would be appreciated.

Sincerely,

for SHEPPARD, MULLIN, RICHTER & HAMPTON

JDH:ss
Enc.
AIRMAIL

6358

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

FEB 11 1957

Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

Re: Docket No. DMEA 3542 - Mercury
Oceanic mine
San Luis Obispo County, California
Contract No. Idm-2766

Dear Mr. Vollmer:

Enclosed is a certification of discovery or development which covers all the land described in Article 2 of the contract.

By the terms of the Exploration Project Contract, as amended, and of the certification all minerals mined or produced from February 13, 1955 to February 24, 1966 are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,979.25 is paid.

You should continue making royalty payments, as you have been doing, to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada. Checks should be made to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the charge certified to be correct by the purchaser.

You are requested to notify Mr. Ricker of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Ricker at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

Administrator

Enclosure

Copy to: Mr. Henry Curti and Marina Ida Curti

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

March 23, 1965

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Cal.
Contract Idm-E766

Mr. Henry Curti
P. O. Box 696
Cambria, California

Dear Sir:

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL COPY
O. M. E.
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APR 5 1965
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~~120~~

MME Form 63
Revised 3-62

DMEA-3541
Idm-E766

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since November 1963, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒
   Is the lease of April 11, 1963, to the Pierce's still valid? If not, please give details. Yes ☒ No ☐

2. Since November 1963, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Henry Curtis Title Owner

Address P.O. Box 696 Cambria Calif Date Mar. 29 1965

4511

Cambria Calif.
Nov. 8 1963

U.S. Dept of the Interior
Washington 25 D.C.

Dear Mr. F. M. Murphy
On the 11th day of April 1963 we leased the mining property to W. D. Pierce ~~and~~ or Marion B. Pierce (husband & wife)
To this date there has been no production of any kind
Mr. Pierce is doing some rotary drilling trying to locate some ore but thus far no luck.
If later there is any

production you will be notified

Truly Yours
Curtis Bros
by
Henry Curtis

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

October 31, 1963

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Cal.
Contract Idm-E766

Mr. Henry Curti
P. O. Box 696
Cambria, California

Dear Sir:

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

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

Sincerely yours,

s/ F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 13 1963

DATE	INITIALS	CODE
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		120
11/13		100
11/13		110
		500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since July 30, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since July 30, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Curtis Bros by Hughes Curtis Title Owners

Address P.O. Box 696 Cambria Calif Date Nov. 8 1963

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/13	Holt	500
	Yasuda	500
		800
8/13	Dr Lane	120
"	Johnson	110
8/13	Fumich	100
		220

AUG 1 2 1962

Messrs. Ernest and Henry Curti
P. O. Box 696
Cambria, California

Re: UMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-E766

Gentlemen:

In your letter of July 30, 1962, transmitting the completed MME Form 63, for which we thank you, you asked how much longer the (Government) lien on the property would be binding.

By the terms of the contract, as noted in our letter of February 11, 1957, with which we forwarded the certificate of discovery or development, all minerals mined or produced from the land of the contract from February 28, 1955, to February 28, 1966, are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,979.25 is paid. As of April 14, 1959, $502.93 in royalty has been paid, leaving a balance of $4,476.32.

Sincerely yours,

George Fumich, Jr.

Director

SPHolt/gla
8-13-62
cc to: Director's Reading File
Contract Division
Region II (2) w/1 cy each MME Form 63 dated 7/30/62
and July 30 letr. by Henry Curti
Docket
Code 500

43683

DMBQ-3541

Penultimate line of letter.
Change "As of April 14, 1959"
to "As of this date"

Talbot
8/13/62

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

August 9, 1962

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract Idm-E766

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 8-9-62

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

43683

Cambria, Calif.
July 30 1962

Dear Mr. Grasswold

I am sorry to inform you that since Mr. Vollmer gave up his lease there has been no production at the Oceanic Mine.

At the present time no one has a lease on the property. Also there are no prospects. How much longer will the loon be biding on the property?

Thank you
Truly Yours
Henry Cwitt

Cy to R-II 8/13/62 (gla)

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

JUL 25 1962

Re: DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract J4r-3766

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

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		100
8/6	[illegible]	110
8/9	[illegible]	500
		220

Messrs. Ernest and Henry Curti
P. O. Box 696
Cambria, California

Dear Sirs:

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

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

This is in reference to your September 22, 1960, letter.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 15, 1961**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **February 15, 1961**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Forrest & Henry Curtis by Henry Curtis Title Owners

Address P.O. Box 696 Cambria, Calif Date July 30 1962

4511

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Field Officer, OME
Custom Building, 555 Battery Street
San Francisco 11, California

Concerning:
Docket No. DMEA-3541, Idm-E-766
Property Oceanic Mine
Location San Luis Obispo, California

Date: September 19, 1960

Mr. Ernest Curti
Cambria
San Luis Obispo County
California

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

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

GLENN G. GENTRY Field Officer, Region II

1. Since Sept 25 1958, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes [X] No [ ]

2. Since 1959, has there been any production from the property?*Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name Ernest & Henry Curti Title Owners

Address P.O. Box 696, Cambria Calif Date Sept 22 1960

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

Cambria, Calif
Sept. 22 1960

Dear Mr. Gentry:-

In regard to your request about the Oceanic mine regarding production.
Mr. Frank Vollmer who received the loan from you in the amount of $4,979.25 gave up the lease on the Oceanic on Sept. 25, 1958.

In late 58 or early 59 we leased the mine to Mr. R. L. Rida and Mr Harold Buggini of San Luis Obispo for 2 months for drilling purposes.
There was no production and also no success in finding

(over)

FEB 17 1961
CASE

any amount of ore.

I hope someday some one will be fortunate enough to find something worthwhile

I hope this answers your request and hope for better luck in the future

Truly Yours

Ernest & Henry Curti

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

MAY 6 1959

Memorandum

To: Acting Director, Office of Minerals Exploration

From: Acting Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3541, Contract Idm-E766 - Frank Vollmer

It appears from the file that a certification of discovery or development has been issued, and that the operator-lessee has subleased the property to one, H. J. Biaggini. Mr. Martin by reference slip dated May 1, 1959, asks us: "Does this type of contract call for copies of document sub-leasing land? Your comment would be appreciated."

If this is intended as an inquiry whether the operator-lessee is required by the terms of the exploration contract to furnish the Government with a copy of the sublease the answer is no. We do not know why the Government would want a copy of the sublease, but if it does, it could request the operator to furnish one.

The Government's only concern is that the sublessee takes over the property with knowledge of the Government's royalty claim. In view of the operator's undertakings in the contract in this respect, we would ordinarily assume this to be the case. If it is not the case, no doubt that fact will appear if and when any royalty becomes due on production.

J. L. Hofflund

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 6 1959

DATE	INITIALS	CODE
5/6	WSM	400
		120
		400

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Mr. Johnson	[illegible]	4/28
2. ~~Mr. Selfridge~~		
3. ~~Mr. Martin~~	4/30	WSM
4.		
5.		
FROM: E. D. Talbert [illegible]		4/28

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

[illegible]

INT.-DUP. SEC., WASH., D.C. M25803

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/28	alley	800
4/28	Fisher	800
4/28	G	220
4/30	WSM	800

APR 28 1959

Memorandum

To: Mr. George Mavor, OME Auditor

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

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Contract No. Idm-E766

Your report of royalty review on the above cited project is acceptable and normal distribution is authorized.

AMAlley/ama
April 28, 1959

Copy to: Docket
Director's Reading File
CA & A Division

43683

DMEA FORM 6
REV. 12-56

REFERENCE SLIP
DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. SOLICITOR'S DCKT. RM. 6038		
2. MR. HOFFLUND - RM. 6556		
3. MR. MARTIN - RM. 4447		
4.		
5.		

FROM SOLICITOR

MAY 6 1959

FROM: ~~W. S. MARTIN~~

FOR SIGNATURE

FOR: Check items for action desired

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

REMARKS:

Mr. Selfridge asks: "Does type of contract call for copies of document sub-leasing land?" Your comment would be appreciated.

SOLICITOR

MAY 4 1959

RECEIVED

MAY 5/11/59 1959

ASSOC. SOLICITOR NIX!
MINERAL RESOURCES

INTERIOR DEPT.

M25803

INT.-DUP. SEC., WASH., D.C.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/5	Holt	400
2/5	Martin	400
		800
		140
		130
		110

100
220

February 5, 1957

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: General Summary of Contract and Results Obtained
Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic mine
San Luis Obispo County, California
Contract No. Idm-E766

Operator: Frank Vollmer, 2726 Redondo Beach Boulevard, Redondo Beach, California

Operator's Property Rights:

The Operator controls, by lease with option to purchase from the owners, Ernest and Henry Curti and their wives, of Cambria, San Luis Obispo County, California, three parcels of land, situated in secs. 15, 16 and 21, T. 27 S., R. 9 E., M.D.B. & M., San Simeon Mining District, San Luis Obispo County, California, as follows:

Parcel 1

The entire interest in three patented lode mining claims:

Sulphur Springs Quicksilver	Lot No. 40
Second Claim Quicksilver	Lot No. 38
Bristoll and Morse Quicksilver	Lot No. 39

Parcel 2

The mineral rights in:

The SE $\frac{1}{4}$ of NW. $\frac{1}{4}$, sec. 16
The S. $\frac{1}{2}$ of NE. $\frac{1}{4}$, sec. 16
The SE $\frac{1}{4}$, sec. 16
The N. $\frac{1}{2}$ of NE $\frac{1}{4}$, sec. 21

Parcel 3

The mineral rights in:

The N. $\frac{1}{2}$ of NW. $\frac{1}{4}$ of NW. $\frac{1}{4}$ of NE. $\frac{1}{4}$, sec. 16

R.G.S.

8623

Contract: (a) Executed February 28, 1955

(b) Completion period: Work to be started on or before April 1, 1955, and to be completed on or before August 1, 1955.

(c) Work authorized:

Fixed Unit Costs

1,030 feet of diamond core drilling @ $6.30/ft.	$6,489.00
30 assays for mercury @ $5.00/each	150.00
Total estimated cost of the project	$6,639.00
Government participation at 75 percent	4,979.25

Amendment No. 1, executed March 6, 1956, changed the work authorized to:

684 feet of diamond core drilling @ $6.30/ft.	$4,309.20
180 hours bulldozer trenching @ $12.94/hr. (rounded to)	2,329.80
Total estimated cost of the project	$6,639.00
Government participation at 75 percent	4,979.25

Time for completion of the work was extended from August 1, 1955 to August 1, 1956, and the period for royalty payments was extended from 10 years to 11 years.

(d) Work completed:

Diamond drilling 684 feet @ $6.30/ft.	$4,309.20
Trenching with D-8 bulldozer, 180 hours @ $12.94/hr. (rounded to)	2,329.80
Total accepted cost of the project	$6,639.00
Government participation at 75 percent	4,979.25

Work under the contract was commenced in March 1955 and completed in July 1956.

Audits: A review in lieu of final audit, dated September 18, 1956, was received September 22, 1956.

Reports: The Final Report of the Field Team, dated November 27, 1956, was received November 30, 1956. The Operator's Final Report has not yet been received.

Past Production:

Production since the discovery of the Oceanic mine in the year 1865 to 1946 is reported as about 44,000 flasks of mercury.

Present Production:

Current rate of production during the past year has been about 25 tons of ore per month, averaging 5 pounds mercury per ton of ore, or 1.6 flasks of mercury per month. Production during and since the beginning of the contract, from October 11, 1955 to September 14, 1956 has been 2,569.75 pounds, or 33.81 flasks, of mercury, gross value $8,132.90, on which royalty of $405.88 has been paid.

Certification:

As recommended by the Field Team, a certification of discovery or development was issued by this office on _____

Comment: The project consisted of work on the Oceanic mine claims to explore for mercury, which occurs as pods and lenses of cinnabar in silica-carbonate rock and serpentine in a mineralized zone along and near the Oceanic fault. Reserves of mercury ore discovered by project work were estimated by the Field Team as about 200 tons measured and 3,000 tons inferred, total about 3,200 tons, averaging 5 pounds mercury per ton of ore, or a total of about 200 flasks of mercury.

W. S. Martin

W. S. Martin, Chief
Iron and Ferro-Alloys Division

SPHolt:am
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

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

Operator: Frank Vollmer		Actual Cost	
State: California		Agreed Unit Cost	✓
Final Report of Audit	✓	Commodity: Mercury	Docket No. DMEA 3541
Final Report of Review	✓		Contract No. IDM-E 766

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)	D.D 1030	649.00	1030	649.00	649.00
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assaying		150.00		150.00	150.00
Totals		649.00		649.00	* 649.00

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

Prepared by [signature] Date 3/31/58

31390

SEMI-ANNUAL REPORTS OF CERTIFIED PROJECTS

Reporting Period 1/1/58-6/30/58 Date of Examination 6/30/58

Operator Frank Vollmer

Mine Name Oceanic Mine

County and State San Luis Obispo County, California

Docket Number and Commodity DMEA-3541 (Mercury)

Contract Number Idm-E 766

8-4	C	220
5		100
11		110
8/7		800
8/12	RLC	400

Date of Contract 2/28/55

Date of Certification 2/8/57

Expiration Date of Royalty Payments 2/28/66

Total Amount of Contract $6,639.00

Total Expenditures under Contract $ 6,639.00

Amount of Government Participation at 75% $4,979.25

Royalty Payments this Period $97.05

Previous Royalty Payments $405.88

Total Royalty Payments to Date $502.93

Percent Government Participation Repaid 10.1%

Royalty Due on Production to Date None

Royalty Remarks: Royalty payment was made from sale of 8.9 flasks mercury produced in 1957.

Frank Vollmer DMEA-3541 Idm-E 766

				Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report)					
Mines [ ]	Survey [ ]	Joint [X]		3,200	5 lbs. Hg./T
Revised Estimate of DMEA Reserves (Field Team)					
Mines [ ]	Survey [ ]	Joint [ ]			
Increase of Reserves by work performed subsequent to DMEA project work					
Production DMEA ore			(This Period)	None	
			(Previous)	430	5 lbs. Hg./T
			(To date)	430	5 lbs. Hg./T
Operator's ore found subsequent to DMEA work			(This period)		
			(Previous)		
			(To date)		

Percent Revised Reserves mined 13.5%

Investment Data

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

Mine is idle except for intermittent work by lessee, who is now planning an exploratory drilling project.

Signed B. H. Sheahan (Engineer)

B. H. Sheahan

SEMI-ANNUAL REPORTS OF CERTIFIED PROJECTS

Reporting Period 7/1/57-12/31/57 Date of Examination 12/31/57

Operator Frank Vollmer

Mine Name Oceanic Mine

County and State San Luis Obispo County, California

Docket Number and Commodity DMEA-3541 (Mercury)

Contract Number Idm-E 766

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 3 1958

DATE	INITIALS	CODE
2/4	C	220

Date of Contract

Date of Certification

Expiration Date of Royalty Payments

NO CHANGE

Total Amount of Contract

Total Expenditures under Contract

Amount of Government Participation at %

Royalty Payments this Period

Previous Royalty Payments

Total Royalty Payments to Date

NO CHANGE

Percent Government Participation Repaid

Royalty Due on Production to Date

Royalty Remarks:

DMEA-3541 Idm-E 766

				Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report)	Mines [ ]	Survey [ ]	Joint [x]	3,200	5 lbs. Hg/T
Revised Estimate of DMEA Reserves (Field Team)	Mines [ ]	Survey [ ]	Joint [ ]		
Increase of Reserves by work performed subsequent to DMEA project work					
Production DMEA ore	(This Period)			130	5 lbs. Hg/T
	(Previous)			300	" "
	(To date)			430	" "
Operator's ore found subsequent to DMEA work	(This period)				
	(Previous)				
	(To date)				

Percent Revised Reserves mined 13%

Investment Data

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

During period, 8 flasks of mercury from boulders of silica-carbonate float were recovered. This product has not yet been sold.

Signed B. H. Sheahan (Engineer)

B. H. Sheahan

SEMI-ANNUAL REPORTS OF CERTIFIED PROJECTS

Reporting Period 1/1/57 - 6/30/57 Date of Examination 6/30/57

Operator Frank Vollmer

Mine Name Oceanic Mine

County and State San Luis Obispo County, California

Docket Number and Commodity DMEA-3541 (Mercury)

Contract Number Idm-E 766

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/6	[illegible]	100

Date of Contract 2/28/55

Date of Certification 2/8/57

Expiration Date of Royalty Payments 2/28/66

Total Amount of Contract $6,639.00

Total Expenditures under Contract $6,639.00

Amount of Government Participation at 75 % $4,979.25

Royalty Payments this Period None

Previous Royalty Payments $405.88

Total Royalty Payments to Date $405.88

Percent Government Participation Repaid 8.1%

Royalty Due on Production to Date None

Royalty Remarks: Royalty payments are made when product is sold.

Frank Vollmer DMEA-3541 Idm-E 766

				Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report)					
Mines [ ]	Survey [ ]	Joint [X]		3,200	5 lbs. Hg/T
Revised Estimate of DMEA Reserves (Field Team)					
Mines [ ]	Survey [ ]	Joint [ ]			
Increase of Reserves by work performed subsequent to DMEA project work					
Production DMEA ore			(This period)	None	
			(Previous)		
			(To date)		
Operator's ore found subsequent to DMEA work			(This period)		
			(Previous)		
			(To date)		

Percent Revised Reserves mined None

Investment Data

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

Mining operations were suspended in December, 1956 by Mr. Frank Vollmer. He plans to resume work in July, 1957.

Signed B. H. Sheahan (Engineer)
B. H. Sheahan

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3-14	Chambers	800
3/15	C	225

MAR 14 1957

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: First Report of Royalty Review
Idm-E766, DMEA-3541
Frank Vollmer

Dear Mr. Mavor:

Receipt is acknowledged of your revised First Report of Royalty Review covering the above-cited project.

The Report is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 14, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/5	Fisher	800
3/5	C	220
		225

MAR - 5 1957

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: First Report of Royalty Review
Idm-E766, DMEA-3541
Frank Vollmer

Dear Mr. Mavor:

A certificate of discovery or development applicable to this project was issued on February 8, 1957, subsequent to the period covered by your First Report of Royalty Review but prior to the date, February 26, 1957, of such report.

In view of the fact that certification has been accomplished prior to the issuance of your report, it is desirable that reference thereto be made. The first sentence of Exhibit "A" should be revised accordingly. Your attention is called to the fact that the royalty repayment period, according to paragraph 4 of Amendment No. 1, is eleven years from the date of the contract.

Your report is returned herewith for the appropriate revision.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

CEFisher/wb
March 5, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

February 18, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Reference is made to your letter of February 11, 1957 regarding the Operator's Final Report on subject contract.

The Operator is not an engineer and I hesitate to suggest that he be required to go to the expense of hiring an engineer to prepare a report. The report could not furnish any pertinent data that had not already been given in the Operator's narrative report or that could supplant the data in our final report.

Roscoe Smith and I recommend that the Operator's Final Report be waived.

S. Ricker

May 1, 1959
WSM

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 20 1957

DATE	INITIALS	CODE
2-20	C	220
		225

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	Holt	400
2/4	Martin	400
2-6	Chambers	800
	Robertson	140
2/8	Selfridge	130
"	Johnson	110
	Mittendorf	100
		220

FEB 11 1957

Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

Re: Docket No. DMEA 3541 - ~~Mercury~~
Oceanic mine
San Luis Obispo County, California
Contract No. Idm-E766

Dear Mr. Vollmer:

Enclosed is a certification of discovery or development which covers all the land described in Article 2 of the contract.

Lamb
Kiilsgaard

By the terms of the Exploration Project Contract, as amended, and of the certification all minerals mined or produced from February 28, 1955 to February 28, 1966 are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,979.25 is paid.

You should continue making royalty payments, as you have been doing, to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada. Checks should be made to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the charge certified to be correct by the purchaser.

You are requested to notify Mr. Ricker of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Ricker at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

SPHolt:am 2-4-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II

cc to: Messrs. Lamb - Rm. 3608
Servicing
~~McMahon~~ - USBM
Kiilsgaard, USGS
Audit Div.
Mr. Johnson
Ernest Curti and Mina C. Curti
Henry Curti and Marina Ida Curti

R.G.S.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	Holt	400
2/4	Martin	400
2/6	Chamber	800
		1140
2/8	Selfridge	130
"	Johnson	110
	"Mittendorf	100
		220

FEB 11 1957

Mr. Clarence A. Fredell, Acting Director
Technical Services Division
Defense Material Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

cc to: Messrs. Lamb - Rm 3608
McMahon - USBM
Kilsgaard, USGS
Audit Div.
Mr. Johnson

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic mine
San Luis Obispo County, California
Contract No. Idm-E766

Lamb
Kilsgaard

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development issued under the subject contract.

Contract No. Idm-E766 for the exploration of the Oceanic mine mercury deposits was executed February 28, 1955. Expenditures up to $6,639.00 were authorized by the contract as amended, of which the Government's share at 75 percent was $4,979.25. The cost of the work completed was $6,639.00, of which the Government's share was $4,979.25.

The object of the exploration program was to test the possible mercury occurrences in silica-carbonate rock and serpentine in a mineralized shear zone along and near the Oceanic fault. The program employed diamond drilling and bulldozer trenching to explore the mineralized zone.

The contract, as amended, provided for 684 feet of diamond drilling and 180 hours of bulldozer trenching, all of which work was completed.

Mercury ore discovered by project work was estimated by the Field Team as about 200 tons measured and 3,000 tons inferred, total 3,200 tons, averaging 5 pounds of mercury per ton of ore, or a total of about 200 flasks of mercury.

Sincerely yours,

C. O. Mittendorf

Administrator

SPHolt:am 2-4-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II

Enclosure

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	Holt	400
2/4	Martin	400
2-6	Chamber	800
		140
2/8	Selfridge	130
"	Johnson	110
	Mittendorf	100
		220
	Lamb	
	Kilsgaard	

FEB 11 1957

Mr. Ernest Curti
Mrs. Mina C. Curti
Cambria
San Luis Obispo County
California

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic mine [illegible]
San Luis O[illegible], C[illegible]nty, California
Contract N[illegible]dm-[illegible]6

Dear Mr. and Mrs. Curti:

Enclosed for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was referred to in a certain Lease, executed August 4, 1954 by Ernest Curti, Mina C. Curti, Henry Curti and Marina Ida Curti, lessors, and Frank Vollmer, lessee. The same property was also referred to in an Owner's Consent to Lien, executed March 19, 1955 by the above lessors.

Also enclosed is copy of a letter to Mr. Frank Vollmer.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures

SPHolt:am 2-4-57
cc to; Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II
Messrs. Lamb - Rm. 3608
McMahon - USBM
Kiilsgaard - USGS
Audit Div.
Mr. Johnson

Rubin does not consider difference in name significant, but if we do change, we should put alternative form in parentheses after whichever form we use, as-

Mrs. Mina (Nina) C. Curti

SPH

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/5	Holt	400
2/5	Martin	400
2-4	Chamber	800
		140
2/8	Selledge	130
"	Johnson	110
"	Chamberlay	100
		220

FEB 11 1957

Mr. Henry Curti
Mrs. Marina Ida Curti
Cambria
San Luis Obispo County
California

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic [redacted]
San Lui[redacted] Co[redacted], California
Contrac[redacted]

Lamb
Kilsgaard

Dear Mr. and Mrs. Curti:

Enclosed for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was referred to in a certain Lease, executed August 4, 1954 by Ernest Curti, Mina C. Curti, Henry Curti and Marina Ida Curti, lessors, and Frank Vollmer, lessee. The same property was also referred to in an Owner's Consent to Lien, executed March 19, 1955 by the above lessors.

Also enclosed is copy of a letter to Mr. Frank Vollmer.

Sincerely yours,
L. D. Mittendorf (for)

Administrator

Enclosures

SPHolt:am 2-5-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II
Messrs. Lamb - Rm. 3608
McMahon - USBM
Kiilsgaard - USGS
Audit Div.
Mr. Johnson

R.C.J.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/7	Holt	400
2/7	Martin	400
2/8	Selfridge	130
"	Johnson	110
"	Gottendorf	100
		220

FEB 11 1957

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Dear Mr. Ricker:

The above-referenced project is now in process of certification, and it is noted that the Operator's Final Report has not been received in this office, and there is no record in our files indicating that it has been submitted.

It will be appreciated if you will advise us whether this Operator's Final Report has been received by the Field Team, and, if not, what your recommendations are in the matter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

SPHOLT:foc 2/7/57
cc to: Docket
Code 400
Admr. Read. File
Operating Committee
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

IN REPLY REFER TO:

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

RECEIVED DEC 12 1956 D.M.E.A.

December 11, 1956
Re: DMEA 3541 Idm-E766
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Approved $6,639.00
Expended $6,639.00 - Mercury

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract, awarded February 28, 1955, and later amended, approved the expenditure of $6,639.00 on the diamond drilling and stripping of a somewhat complex contact-fault zone containing pods of low grade mercury-bearing silica-carbonate rock.

Jurassic Franciscan rocks form the footwall of the contact-fault zone and Tertiary sedimentary rocks the hanging wall. Serpentine and the silica-carbonate rock, probably derived from a gabbroic diabase dike, occur in the steeply dipping zone, the northwesterly extension of the Oceanic fault zone. At the Oceanic mine, the fault and highly altered zone was productive of about 44,000 flasks of mercury.

Diamond drilling, totalling 684 feet in 4 holes, cut the sheared zone and one hole, no. 2, cut 5 feet of 3.7-pound material. Trenching, by bulldozer, uncovered the fault zone and revealed several pods or lenses of low grade mercury-bearing silica-carbonate rock. Selected material from the cut yielded 33.81 flasks of mercury and royalty in the amount of $405.88 has been paid.

The examiners estimate the reserves of mercury-bearing rock as:

Block	Tons	Grade Hg
Trench	3,000	5 pounds/ton
Canyon (float)	200	9-20 pounds/ton

As a result of the discoveries by trenching and drilling, the examiners recommend that a certificate of discovery be issued for the part of the project area which benefited directly from the DMEA assisted work. The Field Team recommends that the whole project area be certified.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED DEC 10 1956 D.M.E.A.

December 6, 1956

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team final report, Docket No. DMEA 3541 (mercury), Frank Vollmer, Oceanic Mine, San Luis Obispo County, California. Contract No. Idm-E 766. $6,639.00

The final report on this project by B. H. Sheahan, Bureau of Mines, and D. B. Tatlock, Geological Survey, has been reviewed.

According to the report, 684 feet of diamond drilling and 180 hours of trenching with a D-8 bulldozer were done at a total approved cost of $6,639.00. Production totaled 33.81 flasks of mercury valued at $8,132.90, and $405.88 has been paid to the Government.

Reserves are estimated at 3,200 tons averaging 5 pounds of mercury per ton. At current prices the mercury has a value of $51,000.00.

I concur with the recommendation of the Field Team that a Certificate of Discovery be issued.

J. W. Pennington

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U. S. G. S.
F. D. Lamb
F i l e s

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

RECEIVED NOV 30 1956 D.M.E.A.

1605 Evans Ave.
Reno, Nevada

November 28, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-E 766

Enclosed are four copies of Final Report on subject contract by B. H. Sheahan, Bureau of Mines, and D. B. Tatlock, Geological Survey.

Roscoe Smith and I concur in the report except the statement that certification should exclude part of the area from royalty payments. We believe it would set a bad precedent and that it would be contrary to the Government's interest and policy to exclude area covered by the contract from royalty after the project has been concluded. We recommend that the project be certified without qualification.

S. Ricker

Encls.

Reviewed by
DMEA OPERATING COMMITTEE
12-5-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

RECEIVED
NOV 30 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

FINAL REPORT

DMEA-3541, Idm-E766 (Mercury)
Frank Vollmer
Oceanic mine, San Luis Obispo County, California

by

B. H. Sheahan
U. S. Bureau of Mines

D. B. Tatlock
U. S. Geological Survey

November 27, 1956

Reviewed by
DMEA OPERATING COMMITTEE
12-5-56
(date)

CONTENTS

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Introduction	1
Summary	2
Conclusions and Recommendations	2
Location, Accessibility, and Local Facilities	4
Property and Ownership	4
The DMEA Project	6
Geologic Setting	8
Ore Deposits	9
Sampling	11
Ore Reserves	11

ILLUSTRATIONS

Figure 1 . . . . . Location map

2 . . . . . Geologic map

3 . . . . . Claim map

RECEIVED
NOV 30 1956
D.M.E.A.

INTRODUCTION

On October 14, 1954, Mr. Frank Vollmer, 2726 Redondo Beach Boulevard, Redondo Beach, California, filed an application with the Defense Minerals Exploration Administration, docket DMEA-3541, to explore for mercury at the Oceanic mine, San Luis Obispo County, California. The property was examined[1/]

1/ Sheahan, B. H., and Pampeyan, E. H., January 19, 1955, Report of Examination by Field Team, Region II, DMEA-3541 (Mercury), Oceanic mine, San Luis Obispo County, California.

December 7 and 8, 1954 by an engineer of the Bureau of Mines and a geologist of the Geological Survey. Recommendations were made to explore an outcrop of silica-carbonate rock on the Sulphur Springs claim at a site 700 feet northwest of the old stoped zone on the Bristoll Morse claim by diamond drilling.

Contract Idm-E766 was signed February 28, 1955, and amended March 6, 1956 to include surface trenching. Work was completed in July 1956.

A final examination was made August 18 and 19, 1956 by B. H. Sheahan, U. S. Bureau of Mines, and D. B. Tatlock

U. S. Geological Survey, accompanied by Mr. Frank Vollmer and his son, Alfred Vollmer.

SUMMARY

The purpose of the project was to explore the possible downward continuation of cinnabar-bearing silica-carbonate rock exposed in surface cuts 700 feet northwest of the main stope of the Oceanic mine. Four diamond drill holes totaling 684 feet were drilled easterly from one surface station to intersect the silica-carbonate rock between 50 and 100 feet below the surface. All four holes cut a mineralized shear in Tertiary sediments which contained traces of cinnabar. About 10,000 cubic yards of trenching were completed along the northwesterly-trending mineralized zone, which uncovered several small, low-grade pods of ore in silica-carbonate rock and serpentine. About 500 tons of ore has been selectively mined, most of it from the southeast end of the mineralized zone. This yielded 33.81 flasks of quicksilver on which royalties totaling $405.88 were paid to the Government. About 200 tons of ore from silica-carbonate boulders is in the canyon down slope from the trench.

Reserves total about 3,200 tons averaging 5 lbs. Hg/ton, or about 200 flasks.

CONCLUSIONS AND RECOMMENDATIONS

Development by trenching or by underground methods is not warranted on the basis of the exploration work done so far. Production of a few tons per month averaging about 5 lbs. Hg/ton is possible by trenching, but no significant discovery has been made, and none is likely to be made by further trenching.

The contract area has not been adequately explored because of the operator's reluctance to do any underground work. Further exploration by underground work at a depth of 200 to 300 feet below the trenched silica-carbonate zone is warranted (fig. 2). Drilling is perhaps warranted also at the south end of the old Oceanic stope where the ore body appears to plunge south below the 800 level (area not shown on map).

If a competent, qualified operator were willing to do drilling and underground work in these areas, the Government should participate.

The property should be certified but only that part on which exploration work was actually performed. The Bristoll Morse claim (fig. 3) on which the old Oceanic stope is located did not benefit from the DMEA work and should be exempt from royalties as the amount due the Government might be significant enough to discourage a new operator from exploring the old stope area should Mr. Vollmer relinquish the property before repaying the loan.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The mine is in the San Simeon mining district on the southwest slope of the Coast Range at an altitude of 1,200 feet in secs. 15 and 16, T. 27 S., R. 9 E., M.D.B.&M., San Luis Obispo County, California (fig. 1).

To reach the property from Cambria, the nearest town, follow State Highway 1 easterly 0.4 mile; turn left and follow paved Highway 41 easterly 4.7 miles to the Curti Ranch; turn left at gate and follow a steep, narrow, dirt road northerly 1.1 miles to the mine. The paved portion of the road is accessible all year with a passenger car but the dirt road is frequently impassable during the rainy season which lasts from December through April.

Labor and supplies are available at Cambria or San Luis Obispo. Sufficient water for all essential requirements is obtained at the mine.

PROPERTY AND OWNERSHIP

The land referred to in Article 2 of the contract consists of three parcels of land in secs. 15, 16, and 21, T. 27 S., R. 9 E., M.D.B.&M., San Simeon mining district, San Luis Obispo County,

California. Exploration work was done entirely on the Sulphur Springs claim within the boundary of Parcel 1 which includes three patented lode mining claims located in secs. 15 and 16, and recorded August 30, 1899 in Volume G, Book of Patents, as follows:

Lot No.	Name of Claim	Page
40	Sulphur Springs Quicksilver	288
38	Second Claim Quicksilver	298
39	Bristoll Morse Quicksilver	293

The property is owned by Mr. Ernest Curti; his wife, Mrs. Mina C. Curti; Mr. Henry Curti; and his wife, Mrs. Marina Ida Curti. Mr. Frank Vollmer, the operator, leased mineral rights August 4, 1954.

The Oceanic mine was discovered in 1865, and was operated intermittently from 1875 to 1946. Production totaled about 44,000 flasks. Almost all of the ore was mined from one ore body on the Bristoll Morse claim along a strike length of 500 feet and to a depth of 800 feet. The stope ranged in width from a few feet to as much as 40 feet. Practically all workings are caved and the mine is flooded to the 400-foot level.

The current rate of production on the Sulphur Springs claim is erratic. During the past year the rate has been about 25 tons averaging 5 lbs. Hg/ton, or 1.6 flasks, per month. Recent production is from the open pit on the Sulphur Springs claim and from float

discovered in a canyon on the west end of the Second claim. In the summer of 1955 Mr. Vollmer constructed a pipe retort which he operated intermittently till December 1955 when operations were suspended because of weather conditions. Work was resumed in May 1956.

THE DMEA PROJECT

The project was justified by the exposure of mineralized silica-carbonate rock in a trench 700 feet northwest of the old Oceanic workings and on the same northwest-trending fault.

The program proposed in the contract consisted of six diamond drill holes totaling 1,030 feet to be drilled from one surface station on the southwest side of the fault. Drilling was begun April 28, 1955 by Mr. Gene Craft, an independent contractor of Bishop, California. Mr. Vollmer and his son constructed an access road from the portal of the old 400 level of the mine to the drill station (fig. 2), provided drill water, boxed core, and obtained sludge samples. Four holes totaling 684 feet were completed by July 1955. All four of the holes cut a steeply-dipping mineralized shear zone from 1 to 10 feet wide in the Tertiary sediments. This shear is exposed on the surface and parallels the Oceanic fault (fig. 2). In Hole No. 2 a 5-foot interval

between 61 and 71 feet through the shear assayed 3.7 lbs. Hg/ton. In the other three holes traces of cinnabar were seen in the shear zone intervals. Traces of pyrite were seen in the Tertiary sandstones in intervals east of the shear. All four holes bottomed in barren gouge and serpentine. Core recovery averaged 54 percent. The holes were started NX size and completed BX. The remaining two holes were not drilled owing to difficulties encountered in drilling the first four holes and to disagreement between the operator and the drilling contractor. Consequently, Amendment No. 1 dated March 6, 1956 substituted 180 hours of surface trenching for the uncompleted drilling. About 10,000 cubic yards were excavated in a zone 300 feet along the fault, 60 feet wide, and averaging 15 feet deep (fig. 2). No significant ore bodies were found. The work was done during May, June, and July 1956, with a rented D-8 bulldozer. Mr. Vollmer provided a portable air compressor, a jackhammer, and a light tractor.

Several large boulders of silica-carbonate rock totaling about 200 tons and ranging in grade from 9 lbs. to as much as 20 lbs. Hg/ton were found by the operator in an intermittent stream canyon about 600 feet down slope from the surface trench. The boulders have been found along a distance of about 400 feet in the canyon. A few of the boulders are as much as 6 feet in diameter.

Equipment

There was no equipment purchased under the contract.

Expenditures

Total approved	$6,639.00
Government's share	4,979.25
Operator's share	1,659.75
Government's share unexpended . . .	0.00

Work Completed

Diamond drilling, 684 ft. @ $6.30/ft.....	$4,309.20
Trenching with D-8 bulldozer, 180 hrs. @ $12.94 (rounded to)...	2,329.80
Total	$6,639.00

In addition the operator did considerable trenching at his own expense.

Production

Flasks mercury	33.81
Gross value	$8,132.90
Royalty	$ 405.88

Date	Lot	Net lbs. Hg	Value	Freight	Royalty
9/14/56	61467	656.75	$2,073.36	$15.44	$103.67
8/2/56	61334	807.25	2,132.94	17.77	107.54
11/18/55	60345	688.25	2,426.70	17.96	122.23
10/11/55	60246	417.50	1,437.99	10.74	72.44
Totals:		2,569.75	$8,070.99	$61.91	$405.88

GEOLOGIC SETTING

The Oceanic property lies along a steeply-dipping, northwest-trending fault known as the Oceanic fault, between Franciscan rocks on the northeast and Tertiary sedimentary rocks on the southwest. Sill-like intrusive bodies of gabbroic diabase and several elongate

bodies of serpentine, locally altered to silica-carbonate rock, occur along the fault.

The Franciscan rocks consist of graywacke, shale, bedded chert, and scattered small bodies of altered vesicular basalt. They are highly deformed, and are poorly exposed in the mine area because of landslides and flow debris. The Tertiary beds consist of sandstones and shales and some interlayered limy beds. The beds strike northwesterly and dip about 30 degrees northeast; near the fault the dip increases to almost vertical and locally the beds are slightly overturned.

Several minor cross faults cut the main fault zone, but these cannot be traced outside of the fault zone.

ORE DEPOSITS

Cinnabar, the only ore mineral, is locally disseminated in lenses of silica-carbonate rock and in serpentine along the northwest-trending Oceanic fault about 700 feet northwest of the old Oceanic mine. In the old mine almost all of the ore was disseminated in Tertiary sandstones, but in the area explored by DMEA work only a few traces of cinnabar were seen in the Tertiary rocks. The altered zone (fig. 2) along the fault is 70 to 150 feet wide and can be traced for about 400 feet on the surface. Pyrite, calcite, and quartz occur throughout the zone.

Crystals of cinnabar from a fraction of a millimeter to 1 millimeter across are disseminated along the margins of minute closely-spaced, randomly oriented fractures in the silica-carbonate rock. The ore occurs chiefly in vertical zones from 4 to 6 inches thick both normal and parallel to the elongate silica-carbonate lenses. The grade of the ore is from 5 to 20 lbs. Hg/ton. Some ore is disseminated in erratically distributed and discontinuous silicified gouge zones in the serpentine adjacent to the Tertiary rocks. The gouge zones range from a fraction of an inch to as much as 3 inches wide and are as much as 10 feet long. The grade of the ore in serpentine is from 5 to 10 lbs. Hg/ton. None of these zones persists to depths of more than a few feet.

In the DMEA trench serpentine and silica-carbonate rock are exposed over an area measuring 300 feet along the strike and 2 to 12 feet wide. Silica-carbonate rock is most abundant at the southeast end of the trench in a lenticular body 130 feet long and 2 to 9 feet wide. Most of the 1956 quicksilver production has been from this body. Toward the northwest end of the trench the silica-carbonate bodies are smaller and lower in grade.

A nearly vertical mineralized shear zone in the altered Tertiary rocks (fig. 2) parallels the Oceanic fault and is from

1 to 10 feet wide; pyrite is abundant but no cinnabar was seen on the surface. Traces of cinnabar were found in the core from drill holes that cut this shear zone, and a 5-foot interval through the shear in Hole No. 2 assayed 3.7 lbs. Hg/ton.

SAMPLING

The following samples were taken:

Sample No.	Width, feet	Lbs. Hg/ton.	Remarks
S-326	9.0	6.0	From silica-carbonate zone before trenching.
S-327	5.0	0.6	ditto
S-328	2.0	5.0	ditto
S-329	2.0	0.2	ditto
S-364	5.0	3.7	Interval 61 to 71 ft., hole 2, diamond drill core.
S-421	2.0	9.6	Silica-carbonate with HgS.
S-422	0.2	20.6	ditto
S-525	chip	20.6	Boulders of float.
S-526	grab	9.0	Three tons ore in bin.
S-527	4.0	<0.1	South end of open cut.
S-528	1.0	<0.1	Center of open cut.
S-529	2.0	<0.1	North end of open cut.

ORE RESERVES

Measured reserves of about 200 tons containing from 9 to 20 lbs. Hg/ton are contained in silica-carbonate boulders in the stream canyon 600 feet down slope from the DMEA surface trench. There are no measured or indicated reserves in place.

Inferred reserves within the serpentine and silica-carbonate zone 700 feet northwest of the old Oceanic mine in the area explored by DMEA work are 3,000 tons averaging 5 lbs. Hg/ton. These have

been calculated as one-fifth of the tonnage contained in a block 300 feet along the strike, 100 feet down the dip, and 6 feet wide. A tonnage-volume factor of 12 was used in the calculations.

This is about the same total tonnage and grade inferred before the project was started, but the length of the ore block has been increased by 170 feet and the proportion of the block containing ore has been decreased from one-half to one-fifth.

Several thousand tons averaging about 5 lbs. Hg/ton might be inferred in the southeastward extension of the old Oceanic ore body below the 800 level.

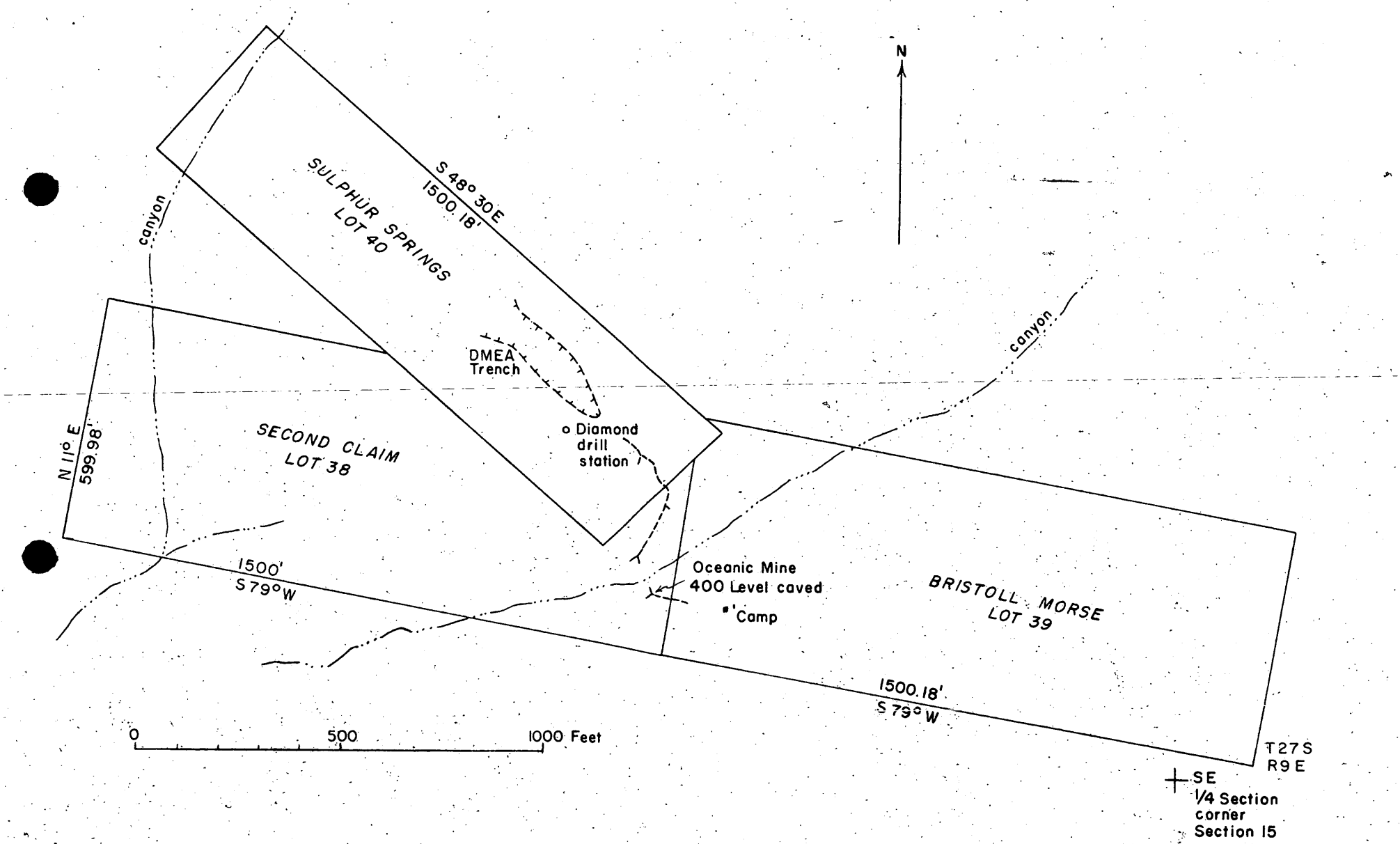
$\frac{300 \times 100 \times 6}{12 \times 5} = 3{,}000$ tons

3000 x 5 lbs. = 15,000 lbs.
200 x 14.5 " = 2,900 lbs
3,200 17,900
Average 5.59 lbs/ton

Figure 1 LOCATION MAP CALIFORNIA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3541
Idm E-766
(MERCURY)



OCEANIC PROPERTY MAP, SAN LUIS OBISPO COUNTY, CALIFORNIA

Figure 3

RECEIVED
OCT 30 1995
WASH.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1956 Docket No. DMEA 341 Contract No. DMEA-[illegible]-766
Operator's Name Frank Vellmer Minerals Secretary
Address 2726 Redondo Beach Blvd. Redondo Beach, Calif.
Contract Amount, $6639.00 Government Participation: 75 % Amount, $4979.25

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY WBM: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2329.80	4309.20	6639.00		4,309.20	4,309.20
Bulldozing				2,329.80		2,329.80
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2329.80	4309.20	6639.00	2,329.80	4,309.20	6,639.00

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

Date Aug. 1, 1956 *Payee Frank Vellmer

Per _____ Title Operator

*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:

$1747.36

Signature _____ (Authorized Certifying Officer)

Date _____ Vou. No. SF-DMEA-9

(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. IdmE766 in accordance with the terms of the contract.

Signature R. E. H. Sheahan Title Mining Engineer Date Aug. 9, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 8/24/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 27 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 3541 Contract No. [illegible]
Operator's Name Frank Vallone Minerals Mercury
Address 2726 Redondo Beach Blvd. Redondo Beach, 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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core				4309.20	664	6.30	664	6.20
Churn								
Auger								
Stripping								
Trenching	12.94	2329.00	180		180	12.94	180	12.94
Test Pits								
Roads and Trails								
Total Distributed Costs		2329.00	180	4309.20				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2329.00		4309.20				6659.00

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 Aug. 1, 1956 Operator Frank Vallone

Per _____ Title _____

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) B. E. Crisman, Mining Engineer

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 27 1956

August 15, 1956

Re: Docket DMEA 3541
Contr. E766

Defense Minerals Exploration Administration
Mr. S. Hicker, Acting Regional Director
420 Custom House
555 Battery Street
San Francisco, 11
California

Dear Sir;

The undersigned made a brief inspection of the Oceanic Mine, Cambria, California, on August 2, 1956.

Mr. Vollmer had completed a longitudinal dozer cut, much deeper than the older excavation. The approximate position of the cut is shown on the accompanying sketch.

The proper direction of such excavations would probably have been more effective if placed in a northerly and southerly direction. Mr. Vollmer should carefully trench the bottom of the present cuts at regular intervals and pan the material prior to assay.

Apparently most inspecting engineers are agreed that there is a possible shoot south from the excavation, therefore, surface cuts A, B, and C, as shown are recommended.

The Operator is using drag ore from the east side of the hill as retort and enjoying some success by selective methods. There is a fault on a northerly and southerly course west of "A" such that the position of the cut should not be changed westerly.

From the excavation made, it is the opinion of the undersigned that at least 180 hours of equivilant D-8 Bulldozer operation.

Waste disposal has been such that cut proposed cut "B" can not be made without re-handling excavated material in considerable amounts. Most important of the proposed development are cuts " A " and " C"

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
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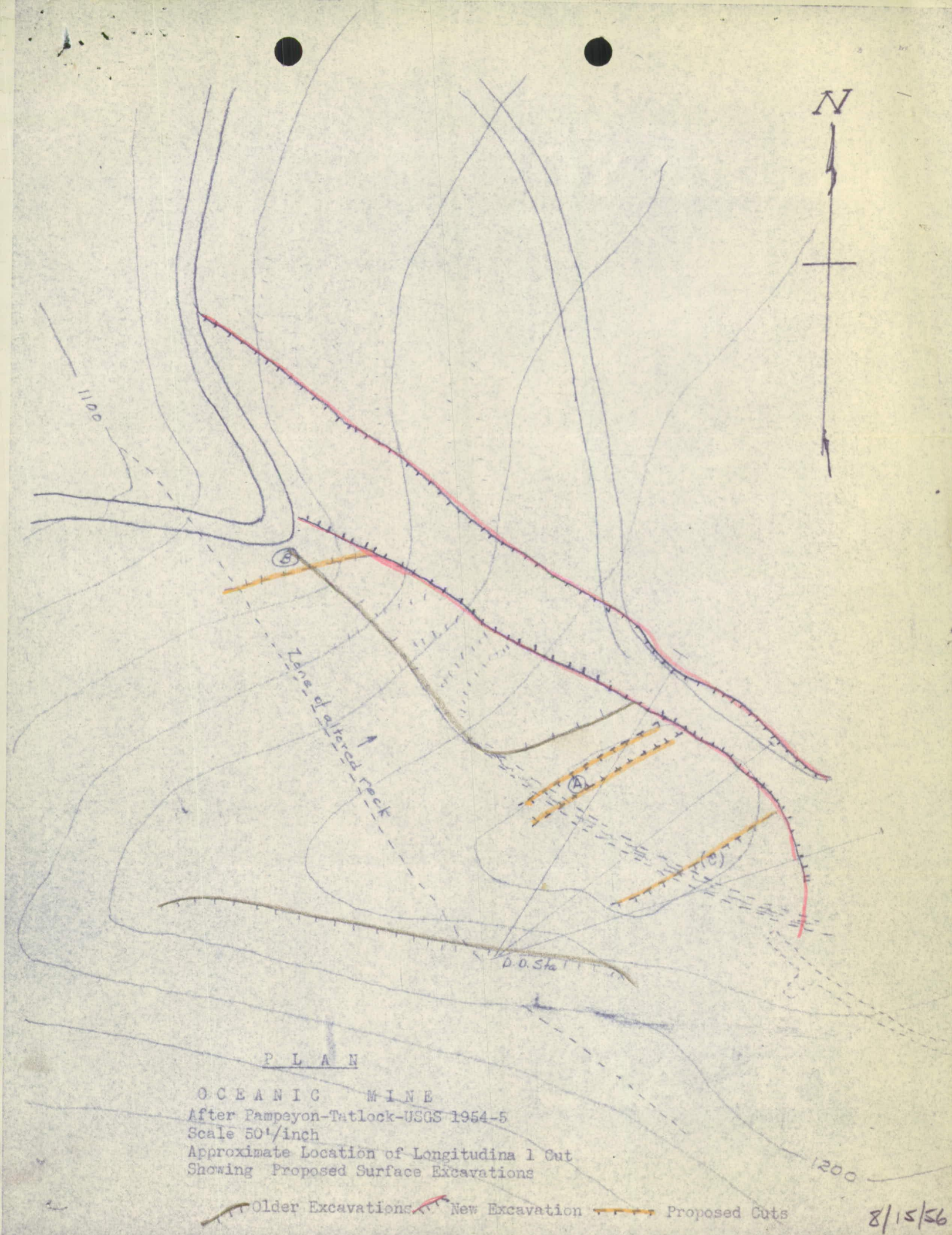
RENO, NEVADA

DMEA 3541
Contr. E766
8/15/56 (2)

Major development is warranted on the west side of the main canyon where the shear-contact area will continue with fault offset, probably south, as indicated in my initial report on this project.

Dozer work in the cut recently completed has indicated some ore, but a close inspection of the debris SW from the top of the hill will show some ore. The effecti ve value of dozer work is limited to primary preparation for hand trenching and it is a poor production tool in cinnabar productive-operations.

C. P. Keegel, Mining Engineer



P L A N

O C E A N I C M I N E
After Pampeyon-Tatlock-USGS 1954-5
Scale 50'/inch
Approximate Location of Longitudina l Cut
Showing Proposed Surface Excavations

Older Excavations New Excavation Proposed Cuts

8/15/56

dmea

RECEIVED
JUN - 8 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date 6/6/56

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Wash., D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on

Docket No. DMEA-3541

Contract No. Idm-E766

Commodity Mercury

Operator Frank Vollmer

Property Oceanic Mine
San Luis Obispo County, Calif.

By B. H. Sheahan

Dated 6/4/56

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: R. M. Smith, USGS (w/copy of report)
Finance Officer, Region II (w/copy of report)
File

BUREAU OF MINES
WASHINGTON, D. C.
JUN 8 7 53 AM '56

INTERIM REPORT

DMEA-3541 (Mercury) June 4, 1956
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Exploration work at the property was inspected May 28, 1956 by B. H. Sheahan, Bureau of Mines and R. M. Smith, Geological Survey.

Mr. Frank Vollmer and his son resumed operations on May 11, 1956. The access road was repaired and improvements were made to the camp and retort plant. Preliminary trenching operations were started in the zone northwest of the main open cut and traces of cinnabar were found in silica carbonate rock.

B. H. Sheahan

B. H. Sheahan
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 21 1956

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date 5/8/56

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Wash., D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on

Docket No. DMEA-3541

Contract No. Idm-E766

Commodity Mercury

Operator Frank Vollmer

Property Oceanic Mine, San Luis Obispo Co., Calif.

By B. H. Sheahan

Dated 5/8/56

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: R. M. Smith, USGS (w/copy of report)
Finance Officer, Region II (w/copy of report)
File

BUREAU OF MINES
WASHINGTON, D. C.
MAY 21 12 24 PM '56

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED
SAN FRANCISCO, CALIFORNIA

RECEIVED
MAY 21 1956

INTERIM REPORT

DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-E766

MAY 8 1956

The mine was inspected April 29-30; work under the amended contract has not been started because of muddy ground conditions resulting from winter and spring rains.

Mr. Ernest Curti, a resident and one of the owners, said that Mr. Vollmer planned to commence work in the near future, and that operations were halted by intense rain storms late in December.

Mr. Vollmer has made improvements to his dwelling at the mine and is evidently waiting until the ground drys before starting surface stripping operations.

B. H. Sheahan

B. H. Sheahan
Mining Engineer

dl m E a

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

1605 Evans Avenue
Reno, Nevada

March 28, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Reference is made to your letter of March 7, 1956 in which was transmitted the original and five copies of Amendment No. 1 to subject contract.

The amendment has been executed by the Operator and the original and two copies are attached. Proper disposition has been made of the remaining copies.

S. Ricker

S. Ricker

Attach.

RECEIVED
MAR 30 1956

RU[illegible] [illegible]ES
WASHINGTON, D. C.
MAR 30 12 3[illegible] PM '56

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

RECEIVED
MAR 14

1605 Evans Avenue
Reno, Nevada

March 12, 1956

Mr. Frank Vollmer,
Cambria, California

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-E766

Dear Mr. Vollmer:

We are enclosing the original and five copies of a proposed Amendment No. 1 to above referenced exploration contract signed by C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration, Washington, D. C. for the Government.

If the terms and conditions of the proposed amendment are satisfactory to you, all six copies should be signed by your The copy marked "Operator's Copy" should be retained by you, and the original and the other four copies should be returned to this office.

If any part of this amendment does not meet with your approval, the original and all copies should be returned to this office with your suggested changes.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Encl.
SRicker:gh

cc: Opr. Com., DMEA, Wash., D. C.
Finance Off., Reg. II
Geo. Mavor
R. M. Smith
File

400

DOCKET
SURNAME
McMahon
Martin
J Chamberlin
Selfridge
K Johnson

MAR 7 1956

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Dear Mr. Ricker:

Enclosed are the original and five copies of a proposed Amendment No. 1 to the above-referenced project, signed by the Administrator for the Government. Two extra copies are enclosed for use of the Field Team.

If the terms and conditions of this proposed amendment are satisfactory to you and the operator, all six copies should be signed by the operator and the usual distribution made.

If any part of the proposed amendment does not have your approval or that of the operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

Enclosures

Chairman, Operating Committee (SHB)

APPROVED:

(SHB)
Member, Bureau of Mines

(SHB)
Member, Geological Survey

AIMcMahon/foc 2-15-56
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. II
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS

R.C.G.

Fuarita 2/24/56
Dwyer

684 feet diamond-core drilling @ $ 6.30/lineal feet	$4,309.20	
180 hours trenching with a D-8 Bulldozer @ $12.94/hour (rounded to)	2,329.80	
Estimated Total Cost		$6,639.00
Government Participation @ 75%		$4,979.25

3. The time for completion of the work, as specified in Article 3 of the Contract, is hereby extended from August 1, 1955, to August 1, 1956.

4. The period for royalty payments and lien to secure the payment thereof, provided for in the Contract, is extended to eleven years from the date of the Contract.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

_____
Frank Vellmer

Jodrey 2/21/56
Dwyer
McMahon

684 feet diamond-core drilling @ $ 6.30/lineal foot	$4,309.20
180 hours trenching with D-8 Bulldozer @ $12.94/hour (rounded to)	2,329.80
Estimated Total Cost	$6,639.00
Government Participation @ 75%	$4,979.25

3. The time for completion of the work, as specified in Article 3 of the Contract, is hereby extended from August 1, 1955, to August 1, 1956.

4. The period for royalty payments and lien to secure the payment thereof, provided for in the Contract, is extended to February 28, 1966.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

_____
Frank Vollmer

Docket copy

EXPLORATION PROJECT CONTRACT
FRANK VOLLMER
Docket No. DMEA 3541

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Frank Vollmer, that Exploration Project Contract No. Idm-E766 (Docket No. DMEA-3541), dated February 28, 1955, is amended as herein specified:

1. On page 1 of Exhibit "A" of the contract, under Description of the Work, the third paragraph is changed to read as follows:

Four (4) diamond-core holes shall be drilled as follows:

Hole	Approximate Bearing	Approximate Dip	Depth of Hole
1	N 30° E	Horizontal	163 feet
2	N 50° E	"	177 "
3	N 70° E	"	143 "
4	N 30° E	-20°	201 "
		Total footage	684 feet

2. On page 2 of Exhibit "A" of the contract, the paragraph under the heading Fixed Unit Costs, is changed to read as follows:

684 feet diamond-core drilling @ $6.30 per lineal foot	$4,309.20
180 hrs. trenching with D-8 Bulldozer @ $12.94 per hour (rounded to)	$2,329.80
Estimated Total Cost	$6,639.00
Government Participation @ 75%	$4,979.25

3. The time for completion of the work, as specified in Article 3 of the contract, is hereby extended from August 1, 1955 to August 1, 1956.

on draft 2/10/56
Bunger

McMahon
Martin
Chamber

4. The period for royalty payments and lien to secure the payment thereof, provided for in the contract, is extended to eleven (11) years.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

_____
Frank Vollmer

400

DOCKET
SURNAME
McMahon
Martin

January 27, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of Amendment No. 1
Docket No. DMEA 3541 - Mercury
Frank Vellmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Transmitted herewith is a rough draft of an Amendment No. 1 to the above-captioned contract for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

ADMcMahon/foc
1/27/56
cc to: Docket
Code 400

EXPLORATION PROJECT CONTRACT
FRANK VOLLMER
DOCKET NO. DMEA 3541

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Frank Vollmer, that Exploration Contract No. Idm-2766 (Docket No. 3541), dated February 28, 1955, is amended as follows:

1. On page 1 of Exhibit "A" of the contract under Description of the Work change paragraph three (3) to:

Four (4) diamond-core holes shall be drilled as follows:

Hole	Approximate Bearing	Approximate Dip	Depth of Hole
1	N 30° E	Horizontal	163 feet
2	N 50° E	"	177 "
3	N 70° E	"	143 "
4	N 30°E	- 20°	201 "
		Total footage	684 feet

2. On page 2 of Exhibit "A" of the contract under Fixed Unit Costs change the outline of work and costs to:

684 feet diamond-core drilling @ $6.30 per lineal foot	$4,309.20
180 hrs. trenching with D-8 Bulldozer @ $12.94 per hour rounded to	$2,329.80
Estimated Total Cost	$6,639.00

3. The time for completion of the work, as specified in Article 3 of the contract, is hereby extended from August 1, 1955 to August 1, 1956.

4. The period for royalty payments and lien to secure the payment thereof, provided for in the contract, is extended to eleven (11) years.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

Frank Vollmer

By_____

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

RECEIVED
JAN 19 1956

1605 Evans Avenue
Reno, Nevada

January 17, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Attached are four copies of Interim Report by B. H. Sheahan, Bureau of Mines and D. B. Tatlock, Geological Survey, in which it is recommended that trenching be substituted for 346 feet of diamond drilling remaining in the original contract.

In view of the work done by the Operator on the surface in disclosing favorable indications of cinnabar deposits, Roscoe Smith and I concur in the recommendations. Definite delineation of the trenching will be left to the discretion of our field engineer and geologist, although the general area is shown on map attached to the Interim Report.

The attractive area is covered with slide debris as much as six feet thick and the surface slopes steeply to the northwest on a 40 percent grade. The Operator intends to provide use of his equipment and labor to do any drilling and blasting required. However, by using a heavy bulldozer, the amount of drilling and blasting is not expected to exceed 5 percent of the volume excavated.

3541

Date 1-19

Routing:

1. ~~[illegible]~~
2. ~~[illegible]~~
3. ~~[illegible]~~
4. ~~[illegible] and Files~~
5. ~~[illegible] Division~~
6. Control Valve and Files

Note comments in report regarding:

1. Amendment recommended
2. Action case
3.
4.

and take appropriate action.

Action taken by Division:

Initials

Cost Estimate:

Surface stripping 95% of 2,000 yards, or	
1,900 cu. yd. @ $1.00/cu. yd.	$1,900.00
100 cu. yd. @ $4.25/cu. yd.	425.00
Total cost	$2,325.00
Government's share	$1,743.75

Since most of this work would involve the use of a heavy dozer, which can be obtained at San Luis Obispo, Calif., 39 miles from the property, it is recommended that the work be done by an independent contractor on an hourly basis. This would amount to 179 hours bulldozing with a D-8 dozer which would cost $2,327.00 based upon an hourly rental at $13.00. The Operator estimates that the expense of moving the equipment to the property and return to be $200.00 and it would be included in the hourly rental cost.

The amendment should include extending the completion date eleven months or from August 1, 1955 to July 1, 1956.

S. Ricker

Attach.

BUREAU OF MINES
WASHINGTON, D. C.

JAN 19 9 49 AM '56

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Mineral Deposits Branch
4 HOMEWOOD PLACE
MENLO PARK, CALIFORNIA

RECEIVED
JAN 19 1956

January 9, 1956

Memorandum

To: DMEA Field Team, Region II

From: B. H. Sheahan, mining engineer, U. S. Bureau of Mines
D. B. Tatlock, geologist, U. S. Geological Survey

Subject: DMEA-3541 (mercury)
Frank Vollmer
Oceanic mine
San Luis Obispo County, California
Contract No. Idm-E766
INTERIM REPORT

An interim examination of the Oceanic mine was made on November 30, 1955 by B. H. Sheahan, U. S. Bureau of Mines, and D. B. Tatlock, U. S. Geological Survey, accompanied by the operator, Frank Vollmer, and his son, Alfred Vollmer.

A part of the serpentine-silica-carbonate zone has been explored with DMEA assistance from one surface station by four diamond drill holes totaling 684 feet. Six holes totaling 1,030 feet were scheduled in the original contract, but the remaining two will not be drilled owing to difficulties encountered in drilling the first four holes and to disagreement between the operator and the drilling contractor. Consequently, about $2,300 remain in contract funds.

Vollmer has paid the Government royalties totaling $194.07 on 15 flasks of quicksilver recovered from about 250 tons of ore averaging about 5 lbs. Hg/ton. All of the ore was taken from the open cut in the silica-carbonate zone in the area explored by DMEA work. Production of about 5 flasks of quicksilver per month is expected throughout the year 1956.

Vollmer wishes to amend the contract so as to substitute surface trenching for drilling. Specifically, he wishes to explore the area between the silica-carbonate outcrop in the main open cut and the intersection of the haulage road with the silicified portion of the shear. The area is thinly covered with slide debris as much as 6 feet thick. As cinnabar is known to be present in both the road cut and in the open cut, trenching will determine whether the ore is continuous between these two points. About 2,000 cubic yards of surface trenching should be done to explore the northwest extension of the mineralized zone. This could be done for about $1.00 per cubic yard.

Bulldozing: 179 hours @ $13.01 per hour....$2,329.80

The operator has most of the equipment required to conduct deep trenching.

A specimen sample from silicified gouge in the road cut assayed 20.6 lbs. Hg/ton; the gouge may be a northwest extension of the mineralized zone in the silica-carbonate open cut. The Oceanic fault is not as sharply delineated as shown on the map; it is actually a broad zone of sheared, broken, and

altered rock. Cinnabar of ore grade appears to be confined to a narrow zone trending N 55° W from the silica-carbonate open cut. Because of the sporadic nature of the ore distribution, inferred reserves which might be found in the block to be explored have been calculated as one-fourth the tonnage contained in a block 160 feet long, 100 feet along the dip, and 5 feet wide. This amounts to about 1,600 tons averaging 5 lbs. Hg/ton, or about 100 flasks.

Recommendations:

It is recommended that the contract be amended to substitute trenching for the two remaining drill holes, and that the completion date of the contract be extended to July 1, 1956. The trenching should be started at the intersection of the silicified portion of the shear zone and the haulage road and should proceed along a bearing of S 55° E so as to expose the shear zone between the haulage road and the outcrop of silica-carbonate rock in the main open cut.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED

1955 JAN 10 PM 1:13

RENO, NEVADA

REGION II
SEMI-ANNUAL REPORT
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Docket No.: DMEA-3541 (Mercury) Date: 12/31/55

Contract No.: Idm-E766

Operator: Frank Vollmer
P. O. Box 281
Cambria, California

Oceanic Mine
San Luis Obispo County,
California

Date of Contract: 4/1/55 2-28-55 Completion Date: 8/1/55*

	Total	Expenditures	Gov't Participation
Amount of Contract:	$6,639.00	$4,309.20	$3,231.89

Date Certified: Not yet certified.

Estimated Reserves

DMEA Project	Tons	Grade	Gross Value
Measured:			
Indicated:	-	-	-
Inferred:			
January 1, 1956			
Measured:			
Indicated:			
Inferred:	2,000	5 lbs.	$36,000.00

	This Period	Todate	Gross Value
Production:	1,105.75 lbs. Hg.	1,105.75 lbs. Hg.	$3,893.39

	This Period	Todate	Percent Payment
Royalty:	$194.67	$194.67	6.0

Status: Active operation mining and retorting 3 tons ore per day.

*Amendment requested to extend period of contract to explore by surface trenching.

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

1605 Evans Avenue
Reno, Nevada

December 27, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-E766

Attached is our file copy of a letter dated November 22, 1955 to Mr. Frank Vollmer which gives you the current status of this project in response to your letter of December 19, 1955.

The property has in the meantime been examined by our engineer and geologist, and I believe they intend to recommend some surface trenching. The trenching done by the Operator on his own account has disclosed possibilities of discovering significant ore reserves. Interim report is being prepared and will be forwarded to Washington as soon as completed.

S. Ricker

S. Ricker

Attach. - to 400

to be returned

RECEIVED
DEC 30 1955

BUREAU OF MINES
WASHINGTON, D. C.

DEC 30 8 55 AM '55

1605 Evans Avenue
Reno, Nevada

November 22, 1955

Mr. Frank Vollmer,
Cambria, California

Re: Docket No. DMEA-3541 (mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Dear Mr. Vollmer:

Reference is made to your letter of November 6, 1955 in which you suggested spending the balance of the contract funds for bulldozing operations.

I have arranged with Mr. Sheahan to visit the property on November 30, 1955 to discuss your plans with you. If the date is not suitable to you please advise us, otherwise, Mr. Sheahan and probably one of the geologists will meet you or your representative at the mine on November 30.

We wish to acknowledge receipt of your $122.23 royalty check.

Very truly yours,

RECEIVED
DEC 30 1955

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA., Wash., D.C.
R. M. Smith
File

DOCKET
Surname:
Chapman
Martin
Selfridge
Johnson
Mattenberg

400

DEC 19 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-3541, Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-E766

Dear Mr. Ricker:

Reference is made to your letter of October 25, 1955, to Mr. Frank Vollmer, inquiring as to his intentions to complete work under the captioned contract.

Our files do not indicate that any reply has been received to the above-noted letter. According to the contract, the termination date was August 1, 1955. We believe it would be advisable to remind the Operator again of the status of the project and to suggest that if he has no intention of applying for further work, a final report should be submitted. We also await a final report of the Field Team in order to make final disposition of the docket.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

cc: Docket
Code 400
Oper. Committee
Adm. Read. File
T. Kiilsgaard, USGS
Helena Meyer, USBM
FT, Region 2

TLChapman/ls
12/16/55

R.C.R.

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

RECEIVED
NOV 25 1955

1605 Evans Avenue
Reno, Nevada

November 22, 1955

Mr. Frank Vollmer,
Cambria, California

Re: Docket No. DMEA-3541 (mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Dear Mr. Vollmer:

Reference is made to your letter of November 6, 1955 in which you suggested spending the balance of the contract funds for bulldozing operations.

I have arranged with Mr. Sheahan to visit the property on November 30, 1955 to discuss your plans with you. If the date is not suitable to you please advise us, otherwise, Mr. Sheahan and probably one of the geologists will meet you or your representative at the mine on November 30.

We wish to acknowledge receipt of your $122.23 royalty check.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA., Wash., D.C.
R. M. Smith
File

BUREAU OF MINES
WASHINGTON, D. C.
Nov 25 8 28 AM '55

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

RECEIVED
OCT 27 1955

1605 Evans Avenue
Reno, Nevada

October 25, 1955

Mr. Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, California

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Dear Mr. Vollmer:

We wish to acknowledge and thank you for royalty check of $72.44 on above cited contract.

We would appreciate knowing the present status of the contract. Your last MF-104A form for June 1955 showed a total of 684 feet of diamond drilling concluded. The contract allowed 1,030 feet. Our engineer was of the opinion that additional drilling was possibly not warranted but did not recommend conclusion of contract unless it was mutually agreeable to the Operator.

If you do not intend to continue, will you please advise us so that we can write our final report on the project.

In the meantime we hope that your current operations continue to be successful.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Finance Off., Reg. II
Geo. Mavor, DMEA, Auditor
Opr. Committee, DMEA, Wash., D.C
R. M. Smith, USGS
File

B M E G

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 25 1955

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

July 21, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are the original and three copies of an Interim Report on:

Docket No. DMEA- 3541

Contract No. Idm-E 766

Commodity Mercury

Operator Frank Vollmer

Property Oceanic Mine, San Luis Obispo Co., Calif.

By B. H. Sheahan

Dated 7/18/55

S. Ricker
S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments 4

Copy to: Finance Officer, Region II(w/copy of report)
R. M. Smith-USGS(w/copy of report)

BUREAU OF MINES
WASHINGTON, D. C.

JUL 25 10 31 AM '55

RECEIVED
JUL 25 1955

INTERIM REPORT

Docket No.: DMEA-3541 - Mercury 7/18/55

Name and address of operator: Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, Calif.

Name and location of property: Oceanic Mine
San Luis Obispo County, Calif.

Contract No.: Idm-E766

SUMMARY AND CONCLUSIONS

Exploratory diamond drilling operations at the property were inspected on June 17 and 18, 1955. The work was discussed with the operator and with Mr. Gene Craft, the diamond drilling contractor. Drilling completed included three holes with a total footage amounting to 451 feet. All of the holes have been drilled from one surface drill station on the hangingwall side of the vein. Ten feet of core showing cinnabar mineralization, found in hole 2 between 61 and 71 feet, contained 3.4 pounds Hg per ton.

Hole No.	Depth of Hole/feet	Bearing	Dip	Remarks
1	163	N. 50° E.	-10°	Traces HgS
2 *	177	N. 30° E.	-30°	Interval 61-71 showed 3.4 lbs. Hg/ton.
3	143	N. 32° E.	-2°	Hit wood at 143 feet.
4 *	201	North	-10 ±	No ore reported.
	684			

*Reported by Mr. Gene Craft - July 14, 1955.
(Telephoned from Tonopah, Nev.)

Additional old workings have been found at the property in the vicinity of the area being explored, however, the mineralization encountered in hole No. 2 occurs in a zone which nearly parallels the main vein and is about 60 feet above it on the hanging wall side.

The contract authorized six diamond drill holes with a total footage of 1,030 feet. Considerable difficulty was encountered in drilling the first four holes, and the independent contractor and the operator have indicated that no further drilling may be done.

The operator has not yet requested that the contract be amended or changed. The holes which had the best chance to find ore have now been completed. The area N. 70° E. and the area northwesterly from the drill station have not been completely explored.

B. H. Sheahan
Mining Engineer

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

Budget Bureau No. 42-R1036.5

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

Month of June, 1955 Docket No. DMEA 3541 Contract No. Idm.E-766
Operator's Name Frank Vollmer Minerals Mercury
Address 2726 Redondo Beh. Blvd. Redondo Beach Cal.
Contract Amount, $ 6639.— Government Participation: 75 % Amount, $ 4,979.25

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 3716.30	2337.30	1971.90	4309.20			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2337.30	1971.90	4309.20			

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

Date July 13, 55 Payee Frank Vollmer

Per _____ Title Operator

*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.

RECEIVED AUG 1 1955

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:

$1752.91

Lloyd H. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date AUG 2 1955 Vou. No. SF-DMEA-3

(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. IdmE 766 in accordance with the terms of the contract.

Signature Benjamin A. Sheahan Title Mining Engineer Date July 28, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 7/28/1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1955 Docket No. DMEA 3541 Contract No. Ion-2-766
Operator's Name Frank Vollmar Minerals Mercury
Address 2726 Redondo Beh.Blvd. Redondo Beach Cal.

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	6.30	2337.30	371	4309.20	684	6.30	1030	6.30
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assays							30	$5.00
TOTAL DISTRIBUTED COSTS		2337.30	371	4309.20				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2337.30		4309.20				$6,639.00

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 13.55 Operator Frank Vollmar

Per _____ Title Operator

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)

Benjamin F. Shahan, Mining Engineer

INSTRUCTIONS

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

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

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

GPO 872894

Re: Docket 3541
Contract E-766

July 14, 1955

Mr. S. Ricker, Acting Regional Director
Region 111
420 Custom House
555 Battery Street
San Francisco, 11

Dear Mr. Ricker;

The undersigned inspected the Oceanic Mine, San Luis Obispo County, California, To determine the work done for the month of June, 1955.

Core hole No. 2 had been completed to a depth of 177 feet and the core was inspected. Samples of the core from collar plus 100 feet to collar plus 105 feet gave 0.16% Hg. Collar plus 167' to 177' gave 0.22%Hg. As previously reported, this same hole showed values at collar plus 61 to 78 feet.

A sample was submitted for core hole No. 1, collar plus 73' to 80' which resulted in 0.005.

The core from hole No. 2 was carefully examined for traces of cinnabar, but no evidence was found except for traces at 167' to 172'. The material contained iron sulphide in abundance and consisted principally of fine grained sandstone. Core recovery was low, probably not over 30%, average.

Core hole was completed as No.3 on the bearing and dip previously reported;the hole was completed at 143' from the collar. Old mine timber was encountered at collar plus 135'. The core was found to be rather heavy in pyrite with limonite and calcite from 53' to 82' in fine grained sandstone predominantly. Serpentine was found at 133-135 feet. Visual inspection indicated no points of cinnabar concentration. Low core recovery, estimated 30-40%.

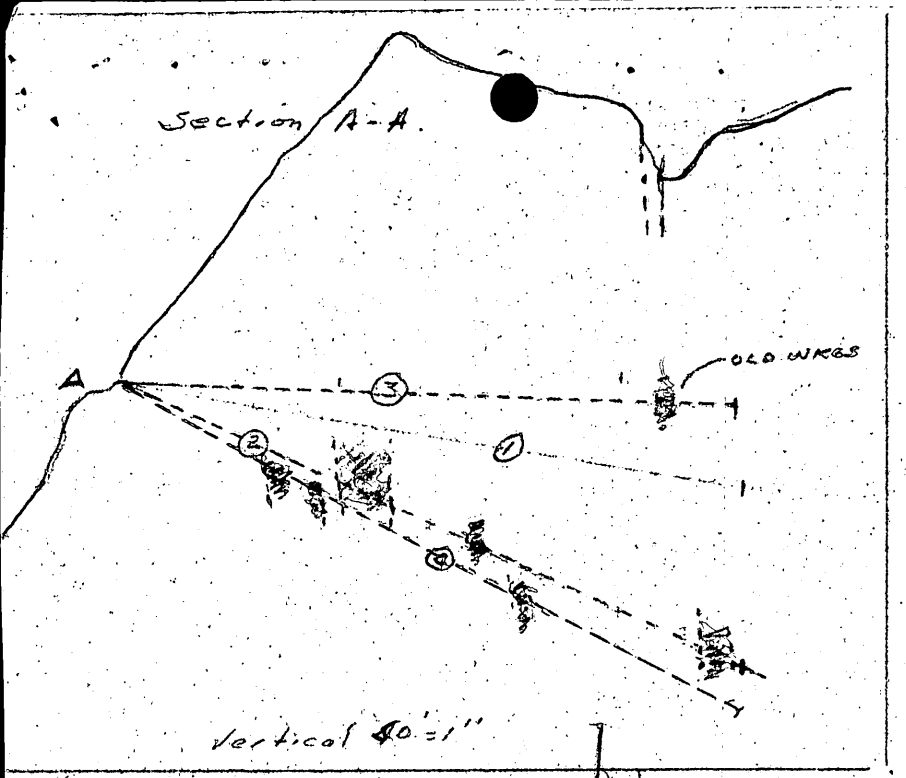
Core hole No. 4 was collared a distance of about three feet west of station A and directed about N 05 E at an inclination of minus 28. The core contained a brown red chert then coarse sandstone to 18'. Traces of cinnabar were seen at 53-64', 93-114'. A rather heavy calcite bearing sandstone appeared at 187-194 feet. The hole was bottomed at 201 feet, should probably have been advanced another 15'. Samples taken 41-52' gave 0.17 Hg, Collar plus 57-63 gave 0.20 Hg. and Collar plus 115-120' gave 0.15 Hg.

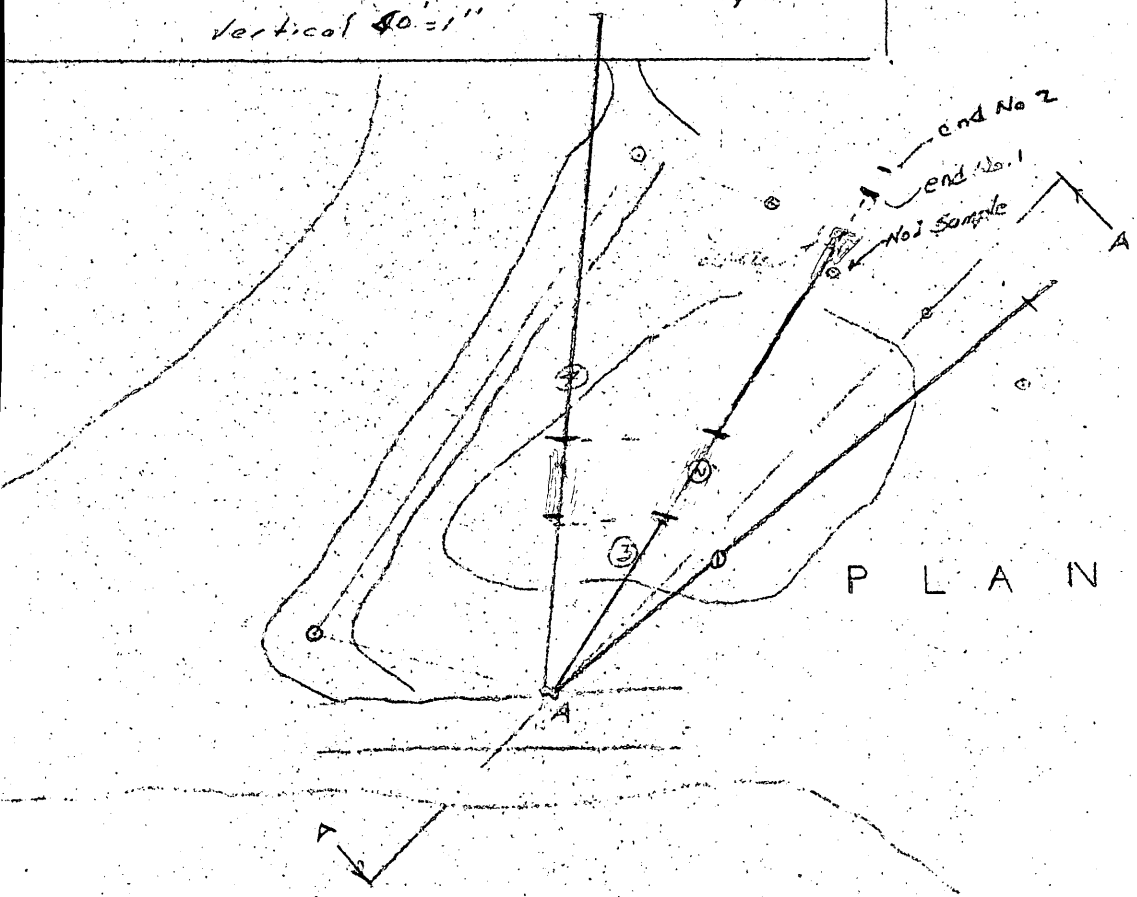
Core recovery from hole No. 4 was reasonably good and is estimated at 60 to 80%.

In summary, a total of 684 feet of core hole was drilled at the Oceanic property. Hole No. 1, of course, was not expected to contact any ore mineral because it was directed into a shear zone where there would have been a very low probability. Holes No. 2 and No. 3 have checked the general position of ore such that the known vertical extent of the ore at the particuliar point is at least 150' and of unknown further extent vertically. Hole No. 4 is obviously too close to indicated limit of expectancy to be given serious consideration in terms of defining the possible westerly limits of an ore zone.

The drilling program has in general been quite successful considering the type of material worked and certainly some type of underground development is warranted. It is improbable that the old workings can be located and cleaned out. Tentatively, a crosscut following the general position of hole No.3, or drift and cross-cut exploration from the west might be justified. Certainly no present development has defined the vertical limits or lateral extent of possible shoots in the area satisfactorily and the conclusion of present drilling has considerably enhanced the importance of underground development, particuliarly with the showing in holes 2 and 4 south of the outcrop. It should be admitted, in view of the low core recovery, that only indicative results are available from drilling.

C. P. Keegel





OCEANIC MINE

Cambria, California June 1, 1955
Delay 1st "

Horizontal Scale 50'=1"

Location of Core Drill Holes

RECEIVED
JUN 15 1955

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

1605 Evans Avenue
Reno, Nevada

June 13, 1955

Mr. Frank Vollmer
2726 Redondo Beach Boulevard
Redondo Beach, California

Re: DMEA-3941 - Mercury
Oceanic Mine
San Luis Obispo County, Calif.
Contract No. Idm-2766

Dear Mr. Vollmer:

Reference is made to your letter of June 2, 1955 in which you enclosed your MF-104 and MF-104A forms for the month of May. We have in the meantime received a copy of the narrative report from Mr. Keegel which was addressed to Mr. Sheahan.

Two of the carbon copies of the forms were barely legible. In respect to the narrative, I wish to call your attention to my letter of March 23, 1955 in which it stated that five copies of your narrative report are required. In order to expedite payment, we had to underscore the copies of MF-104 and MF-104A forms and make additional copies of the narrative report before sending to our finance officer for auditing and payment. We do not have sufficient help to do the work that is required from the operator and will find it necessary in the future to hold your MF-104 and MF-104A forms in abeyance unless legible and accompanied by the requested number of narrative reports.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Operating Committee, DMEA, Wash., D.C.
Finance Officer, Region II
R. M. Smith
File

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 23 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1955 Docket No. DMEA 3541 Contract No. [illegible]
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 WGM: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: 1 to 6 30	1478.92	0				
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1478.92	0				

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 [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:

$1478.92

Lloyd H. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUN 17 1955 Vou. No. SF-DMEA-33

(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. Idm-E 766 in accordance with the terms of the contract.

Signature B. H. Shakson Title Mining Engineer Date June 10, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 6-10-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 23 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 5 Docket No. DMEA 3541 Contract No. Ten-E766
Operator's Name Frank Vollmer Minerals Manganese
Address 3746 Rio Grande Blvd. Albuquerque, N.M.

OPERATION	Unit ft	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								
Crosscutting								
Raising								
Shafts								
Winzes	6.30	1971.90	313	—	—	—	1000	6.30
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1971.90		1971.90				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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 7, 55 Operator Frank Vollmer

Per _____ Title Operator

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)

Remarks:

(For Government use only)

B. H. Sheahan, Mining Engineer

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
JUN 23 1955

DMEA Docket 3541
Contract E-766

June 7, 1955

Defense Minerals Exploration Administration
United States Bureau of Mines
Reno
Nevada

Attn: Mr. Ben M. Shoahen

Gentlemen;

The undersigned inspected the Oceanic mine, San Luis Obispo County, California, May 31 and June 1, 1955.

Core hole No. 1 was completed on a course of approximately N 50 E and at a negative dip, or inclination of 10°, length 163'

The core from the above development did not contain cinnabar visible. A rough log of the hole is appended. A sample from 73-78' and from 78' to 80' was taken for panning preliminary to possible assay and split from the core. Mr. Vollmer was instructed to pan the following sands: 73-78', 78-80', 80-85' 85-91, 95-100, 100-105, 132-137'.

Hole No 2, course approximately N 32 E, inclination minus 25° was collared and drilled to 88'. This hole encountered cinnabar bearing material from collar plus 61' to 78'. The mineral was contained in a breccia consisting of Serpentine and sandstone with deposition in the sandstone and calcite. Samples were split from the core and sent for analysis to be reported by Mr. Vollmer Sample No.1- 61-66.5', Sample No.2-66.5 to 72'. Chert needles ½-1" at center. At 72' typical fault slickenside material.

Hole No. 3 bearing N 32 E at 02° minus inclination had reached a depth of 52'.

Neither hole 2 or 3 will be logged until completion. Almost all sediments contained pyrite and limonite.

C. P. KEEGEL
MINING ENGINEER

Considerable difficulty was reported in drilling due to the loss of water in fissures and from the ravelly nature of the structure.

The position of ore encountered in hole No. 2 may be due to a step fault system as indicated by the flat faults at the adit level or associated with the fissure appearing at the surface, between the drilling site and the surface sampling point.

A considerable change in the course of the drilling development is indicated with steeper holes on a course westerly with bearings from North 10° East to North. The holes directed N 50 to N 70 E had obviously little or no possibility of encountering ore.

A further ore contact warrants an obvious expansion of development, but the completion of present holes in progress is necessary.

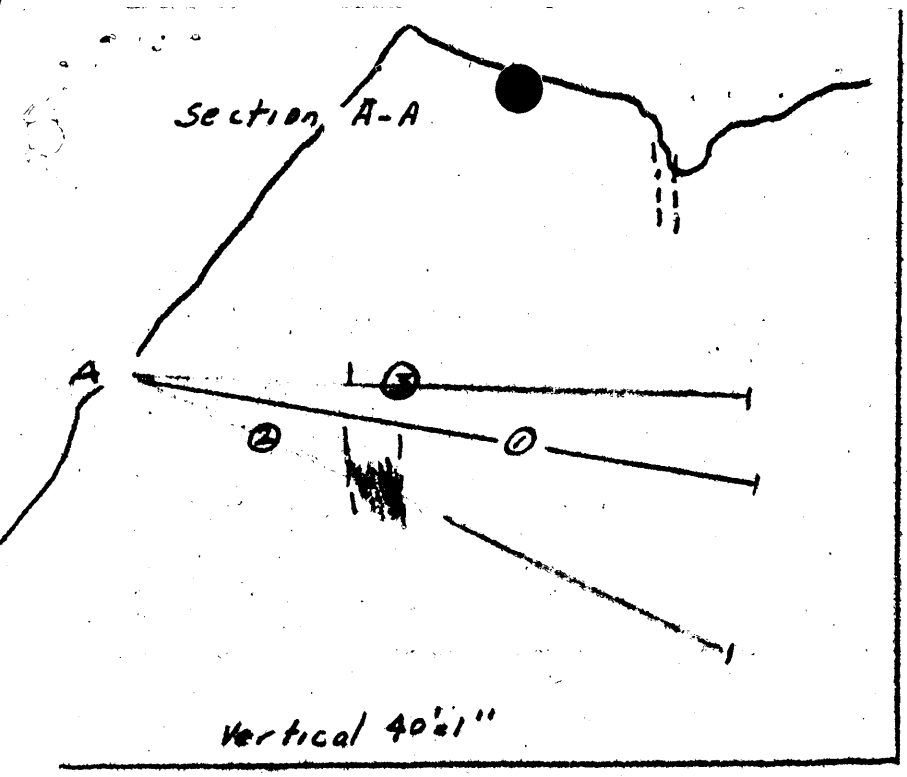
C. P. Keegel

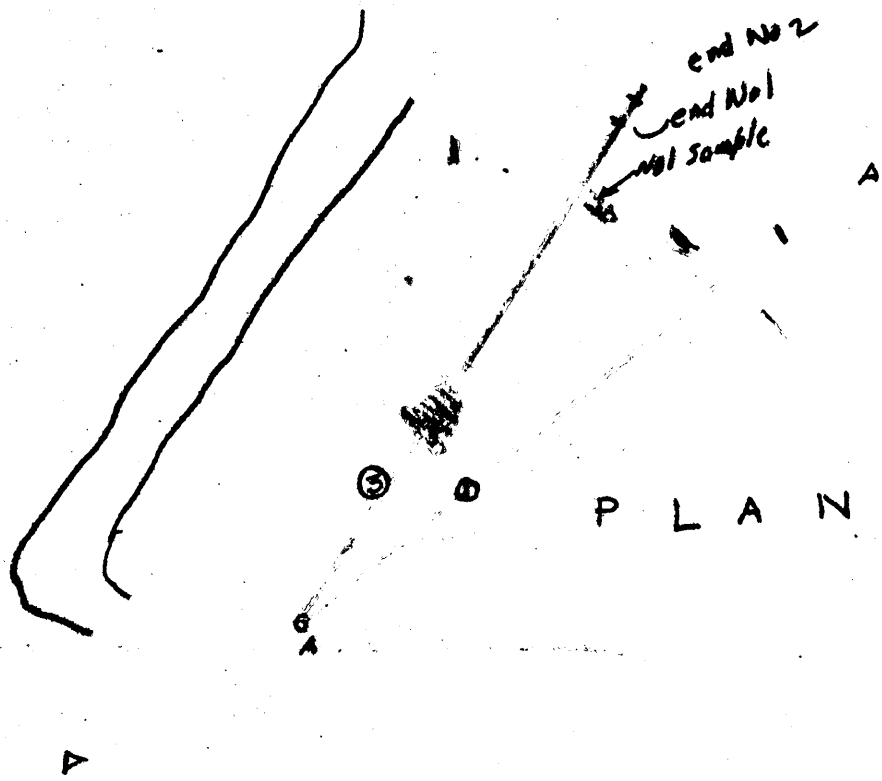
Preliminary Log- Hole No.2.

RECEIVED
JUN 23 1955

From	To.	Description	Appx Core
Collar	32'	Igneous intrusive- unclassified- Diorite ? with shale and ls. cont. heavy pyr. 30-32'	6.5
32	35	shale, ls, shale with pyr. calcite	1'9"
35	40	Ls with calcite, pyr, brecciated, serp and ls. mudstone-ss	2'8"
40	45	shale, brecciated serp. & shale, gouge	2'82
45	55	shale serp. ss.	8"
55	58	shale, serp with pyr. brecc.	1'4"
58	60	shale- ls. brecc.	1'4"
60	64	shale	3'9"
64	67	ls. heavy pyrite, calcite ss	2'3"
67	73	frag. ls. with strong calcite, brecc.ss	1'6"
73	78	sh. breccia, calc. limonite-pyr.	1.0
78	80	ss frag. shale, limonite, pyr	1'6"
80	85	ss as above	1'2"
85	91	as above	3'3"
91	95	ss, start 3" heavy pyr. ls pyr .lim. calc. breccia last 2"	3' 5"
95	100	brec. ss, shale, pyr. limon.	1'8"
100	105	Ls- serp-ss. -mudstone	1'3"
105	107	Serp. Sh. ls. mudstone. fine pyr.	1'0
107	116	sh. ss. pyr.	9"
116	119	ss, shale, serp	1'0
119	122	soft ss fine pyr. gray mudstone or sh.	2'0
122	127	same	5' 9"
127	132	same	1'
132	137	Brecc. Serp mudst. or fine ss.	1'7"
137	168	principally shale some serp. Francisc Form	13'2"

Field identification only





OCEANIC MINE

Cambria California June 1, 1955

H 50'=1"

Location of Core Drill Holes —

Longitudinal Section to be constructed by bonding zone

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 27 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date: May 25, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -
Docket DMEA 3541

Contract Idm-E 766

Commodity Mercury

Operator - Frank Vollmer

Property - Oceanic Mine, San Luis Obispo Co., Calif.

By B. H. Sheahan

Dated May 24, 1955

S. Ricker
Executive Officer,
DMEA Field Team, Region II

Attachments

Copy to: R. M. Smith--USGS (w/copy of report)
Finance Officer, Region II (w/copy of report)
File

Bureau Min...
MAY 27 19...

INTERIM REPORT

Docket No.: DMEA-3541 (Mercury) May 24, 1955

Name and address of operator: Mr. Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, Calif.

Name and location of property: Oceanic Mine,
Cambria, San Luis Obispo County,
Calif.

Contract No.: Idm-E766

SUMMARY AND CONCLUSIONS

Exploratory diamond drilling operations at the property were inspected May 17, 1955 by an engineer of the Bureau of Mines accompanied by Mr. Frank Vollmer.

Work completed since the previous inspection of the property included improvements to the access road and the excavation of a drill site. Diamond drilling was started on April 28, 1955 by Mr. Gene Craft, an independent contractor of Bishop, Calif. The first hole bearing N. 50° E. and inclined at minus 10 degrees was completed at a depth of 163 feet. Only traces of cinnabar mineralization were found. A second hole bearing N. 30° E. and inclined minus 30 degrees had reached a depth of 45 feet. The first hole was started NX size and finished with BX size bits. Core recovery averaged 63 percent.

The second diamond drill hole should cut silica carbonate rock with possibly some cinnabar mineralization at a depth of about 100 feet.

RECOMMENDATIONS

If cinnabar mineralization is found in the second diamond drill hole, it is recommended that a third hole be drilled N. 10° E. at an inclination of minus 30 degrees to explore the northwest projection of the vein.

B. H. Sheahan

B. H. Sheahan
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 12 1955

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

April 8, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are the original and three copies of an Interim Report on:

Docket No. DMEA-3541

Contract No. Idm-E 766

Commodity Mercury

Operator Frank Vollmer

Property Oceanic Mine, San Luis Obispo Co., Calif.

By B. H. Sheahan

Dated April 6, 1955

S. Ricker
S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments 4

Copy to: Finance Officer, Region II(w/copy of report)
R. M. Smith-USGS(w/copy of report)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 12 1955

INTERIM REPORT

Docket No.: DMEA-3541 (Mercury) April 6, 1955

Name and address of operator: Mr. Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, Calif.

Name and location of property: Oceanic Mine, located near Cambria, San Luis Obispo Co., Calif., in T. 27 S., R. 9 E., M.D.B&M.

Contract No.: Idm-E766

SUMMARY AND CONCLUSIONS

The property was inspected by an engineer of the Bureau of Mines accompanied by Mr. Frank Vollmer on March 31, 1955. The exploration contract was signed by the operator on February 28, 1955.

The object of this project is to explore at depth a mercury-bearing serpentine silica-carbonate deposit. The proposed work includes access road construction to a drill site situated 700 feet northwest of the old Oceanic mine and diamond drilling six holes from the surface station.

The drill site and location of the access road was inspected. The only work completed included negotiations between the operator and diamond drill contractors, and a small amount of access road work.

Requirements of monthly reports, drill logs, and other details relative to the work were discussed with the operator.

Weather conditions are now favorable to conduct the exploration work.

B. H. Sheahan

B. H. Sheahan
Mining Engineer

DMEA

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

Memorandum

1605 Evans Avenue
Reno, Nevada

March 23, 1955

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California
Contract No. Idm-E766

Reference is made to Mr. Selfridge's letter of February 28, 1955 transmitting to this office the original and five copies of short-form contract on above subject docket.

The contract has been executed on the part of the Operator and one copy retained by him for his files. Distribution has been made of Finance Office and Field Team copies, and the original and two remaining copies are being returned herewith. Owner's Consent to Lien forms, MF-203, have been attached to the contract.

S. Ricker

S. Ricker

Attachments

Surname copy

Murphy
Ellis
Chandler
Selfridge
Johnson

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

FEB 28 1955

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

Dear Mr. Ricker:

Enclosed are the original and five copies of a proposed short-form contract between the Government and Frank Vollmer, an individual. Also enclosed are two extra copies of Annex I and Exhibit "A", in accordance with recent instructions.

You will note that the signature of the Administrator is subject to the attachment of properly executed copies of "Owner's Consent to Lien" forms to each contract.

If you and Mr. Vollmer find the proposed contract in order, please have the latter sign all six copies and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FMMurphy/gla
2-25-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Murphy

P. S. Your attention is called to the contract Annex I, Parcel 1, Lot No. 39. The title of the claim given in the lease has been used.

Rubin

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

FEB 23 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3541 (Mercury), Frank Vollmer

There is attached hereto in satisfactory legal form for execution a contract covering the above-mentioned project, subject to the attachment of Figure 1, Figure 2, and the Owner's Consents to Lien referred to therein.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment 8

HCRubin/emd

Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis
J. L. Hofflund
chron.
H. C. Rubin

2/17/55 gla

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1955

February 16, 1955

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: Henry R. Cornwall, U. S. Geological Survey

Subject: Docket No. DMEA-3541 -- Mercury, Frank Vollmer, Oceanic mine, San Luis Obispo County, California

The above application for aid to DMEA proposed to explore an elongate serpentine-silica-carbonate lens that borders a normal fault and extends horizontally for 130 feet with a width of up to 15 feet. Mercury occurs disseminated as cinnabar in the silica-carbonate rocks and in parts of the serpentine. The grade of ore in surface samples is about 5 lbs. per ton. By analogy with similar occurrences elsewhere it is reasonable to infer that this surface showing of ore extends at least to a depth of 100 feet, and the shoot might contain 3000 to 5000 tons of ore.

This mercury prospect has geologic characteristics that are similar to numerous other mercury deposits in California, some of which have been substantial producers. The prospect thus has a promising geologic environment.

The project has merit from a geologic standpoint, and I recommend that it be carried out in the modified form suggested by the Field Team, and Mr. Ricker, the Executive Officer of Region II.

Henry R. Cornwall

Henry R. Cornwall

2/16/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

February 15, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 15 1955

Memorandum

To: E. W. Ellis, DMEA

From: Assistant Chief, Branch of Base Metals

Subject: DMEA-Docket No. 3541, Frank Vollmer, 2726 Redondo Beach Blvd., California, Oceanic Mine (mercury), Field Team report.

The Field Team, with the applicant's concurrence, proposed a modification of the original program. The modified proposal consists of a two-stage program, covering five or six holes (totalling about 1,000 feet in length) to be drilled to test the downward extension of the cinnabar-bearing silica-carbonate rock exposed in surface cuts 700 feet northwest of the main stope of the Oceanic mine. Stage I would consist of a small amount of bulldozing to provide access to the drilling site and the drilling of the first three holes, and Stage II would consist of drilling the remaining three holes. The Field Team stated that "if the cinnabar-bearing rock is found 100 to 150 feet below the surface croppings and if it contains economically important amounts of quicksilver, then additional drilling or underground work could be planned to determine more thoroughly the size and grade of any ore body". The recommended allowable cost of the project was $8 a foot for 1,030 feet or $8,240, and a total cost of $10,560, of which the Government participation would be $7,920.

I concur with the Field Team's recommendation of a modified program at a reduced cost per foot, and at a considerable overall reduction. It is understood that a new application will be submitted if results of this program are favorable.

Helena M. Meyer

Helena M. Meyer

Copy to: Division of Minerals
Branch of Base Metals
H. M. Meyer
F i l e s

Surname 700 Murphy

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

February 14, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Fred M. Murphy, Mining Engineer
Rare & Miscellaneous Metals Division

Subject: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

Will you kindly prepare a short-form contract with the subject Applicant in accordance with the attached draft.

The Applicant and Owners are willing to execute the Owners' Consent to Lien required. Therefore, the execution of the contract shall be subject to attachment of the Owners' Consent to Lien when it is forwarded to the Executive Officer of Region II.

You will note that the land lease has been recorded, but we were not furnished with the book and page numbers, also, that the lease does not give the book and page number for Parcels 2 and 3, unless "Liber 74 of Deeds, page 605 et seq." refers to these parcels.

There has been considerable correspondence exchanged in regard to this docket so we are endeavoring to expedite the subject contract.

We are having maps Figures 1 and 2 photostated for attachment to the prepared contract.

/s/ Fred M. Murphy

Fred M. Murphy

Attachment

FMurphy:am
2-14-55
cc to: Docket
Code 700
Mr. Murphy

2/7/55 gla

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

RECEIVED

420 Custom House
555 Battery Street
San Francisco 11, Calif.

January 25, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

Reference is made to your letter of November 1, 1954, requesting a field examination of the above subject property.

Attached are four copies of the examination report by B. H. Sheahan, Mining Engineer, U. S. Bureau of Mines, and E. H. Pampeyan, Geologist, U. S. Geological Survey, dated January 19, 1955, in which a modified exploration project at a cost of $10,560.00 is recommended.

The proposed work would explore a serpentine-silicate carbonate zone 130 feet long and up to 15 feet wide by 1,030 feet of diamond drilling. Surface samples indicate a quicksilver content of 5 to 6 pounds per ton.

Roscoe Smith and I believe the prospect has merit and that a project as set forth should be approved. I believe, however, that a unit cost of $8.00 per foot for diamond drilling should include the bulldozing, supervision, and miscellaneous costs. The total allowable cost would therefore be $8,240.00 and the Government's participation $6,180.00. Eight dollars is, I believe, about $2.00 more than the average cost of drilling in other contracts.

You will note on page 3 of the report that the applicant and owners are willing to agree to the Owner's Consent to Lien.

Reviewed by
DMEA OPERATING COMMITTEE
2-4-55
(date)

S. Ricker, Executive Officer
DMEA Field Team, Region II

Attachment

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

Defense Minerals Administration
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

DMEA-3541, Oceanic Mine

San Luis Obispo County, California

Benjamin H. Sheahan, Mining Engineer
U. S. Bureau of Mines

Earl H. Pampeyan, Geologist
U. S. Geological Survey

January 19, 1955

Reviewed by
DMEA OPERATING COMMITTEE
2-4-55
(date)

EXAMINATION REPORT

Docket No.: DMEA-3541 (Mercury)

Name and address of applicant: Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, Calif.

Name and location of property: Oceanic Mine
San Luis Obispo County, Calif.

SUMMARY

The original patents of the Oceanic Mine claims were signed by President Lincoln in 1865 and production started in 1876. The property was operated intermittently depending upon the price of mercury until about 1932. Almost the entire production, estimated at approximately 44,000 flasks, came from a single ore shoot.

A ten year lease on the property was acquired by Mr. Frank Vollmer in August 1954, who with the assistance of Mr. C. P. Keegel, consulting mining engineer, inspected several other properties in the area. An occurrence of cinnabar mineralization in silica carbonate rock located about 700 feet northwest of the main Oceanic Mine stoped area was re-discovered. An application was filed by Mr. Frank Vollmer for exploration assistance under the DMEA program on October 14, 1954. On December 7 and 8, 1954, the property was examined by an engineer of the Bureau of Mines and a geologist of the Geological Survey.

A modified version of the applicant's exploration program was suggested by the field team and agreed to by the applicant. The revised program would consist of 1,030 feet of diamond drilling to test the downward continuation of cinnabar-bearing silica-carbonate rock exposed in surface cuts 700 feet northwest of the main stope of the Oceanic mine. If diamond drilling yields favorable results, then additional exploration will be suggested by the applicant on completion of the project.

The geological setting of this area indicates that the silica carbonate rock might continue downward for at least 100 feet below the surface, and that the grade of the ore might be as much as 5 to 10 lbs. of mercury per ton.

Although some low grade ore has been reported to exist in the old portions of the Oceanic Mine, it is doubtful if this part of the mine will ever be reopened unless additional ore is discovered, as the caved condition of the workings, water, methane gas, depletion of the better grade ore, and the treatment plant has been removed.

CONCLUSIONS AND RECOMMENDATIONS

The property merits further exploration work, and a small diamond drilling project is recommended to test the downward continuation of cinnabar bearing silica-carbonate rock indicated on fig. 2.

It is recommended that a DMEA contract be approved to explore the silica-carbonate rock for cinnabar with six diamond drill holes

having a total footage of 1,030 feet.

TIME SPENT ON PROPERTY

The property was examined by an engineer of the Bureau of Mines and a geologist of the Geological Survey on December 7 and 8, 1954. Mr. Frank Vollmer, the applicant, Mr. Frank Vollmer, Jr., and Mr. C. P. Keegel, consulting mining engineer, accompanied the examining team. Mr. Ernest Curti and Mr. Henry Curti, owners of the property and who are engaged in a dairy business, were interviewed. The applicant and owners are willing to agree to the "Owner's Consent to Lien".

NAME AND LOCATION OF PROPERTY

The Oceanic Mine, San Luis Obispo County, Calif., is five miles westerly from Cambria, Calif. The property is situated in the San Simeon Mining District on the southwest slope of the coast mountain range at an altitude of approximately 1200 feet, in sections 15 and 16, T. 27 S., R. 9 E., M.D.B.&M. (see fig. 1).

ACCESSIBILITY

The property is reached from Cambria, Calif., by following a paved road easterly four miles to the Curti Ranch, then follow a steep winding, one lane, dirt road one mile northerly to the Oceanic mine. The paved portion of the road is accessible all year. The unpaved portion is inaccessible at time because of the muddy surface from heavy rains. The annual precipitation as rainfall, mostly during winter months,

amounts to more than 40 inches.

COMPETENCY OF APPLICANT

Mr. Frank Vollmer has been successfully engaged in the excavation and transportation business in the Los Angeles area for many years. He has some experience in mining. The financial responsibility of the applicant was claimed to be good for his share of the requested exploration loan. Mr. C. P. Keegel, the applicant's consulting mining engineer, is fully accredited and licensed.

APPLICANT'S PROPERTY RIGHTS

The property is owned by Mr. Ernest Curti, Mina C. Curti, Henry Curti, and Marina Ida Curti. The applicant, Mr. Frank Vollmer, leased the mineral rights for a 10 year period. The lease was signed August 3, 1954 and includes the three following parcels:

Parcel 1. (See fig. 1)

> That certain mining claim or premises known as the Sulphur Springs Quicksilver lode mining claim, designated as Lot No. 40, embracing a portion of Section 15, T. 27 S., R. 9 E., M.D.B.&M., in the San Simeon Mining District, San Luis Obispo County, California. The property is of record in that county August 30, 1899, Volume "G" of Patents, page 288.
>
> Second Claim Quicksilver lode mining claim, Lot 38, embracing a portion of Sections 15 and 16, T. 27 S., R. 9 E., M.D.B.&M., located in the above mining district and county, recorded August 30, 1899 in Volume "G" of Patents, page 298.
>
> Bristol and Morse Quicksilver lode claim, designated in Lot 39, embracing a portion of Section 15, T. 27 S., R. 9 E., M.D.B.&M., recorded in the above district and county on August 30, 1899, Volume "G", page 293 of Patents.

Parcel 2.

The southeast quarter of the northwest quarter; the south half of the northeast quarter of section 16; and the north half of the northeast quarter of section 21, all of T. 27 N., R. 9 E., M.D.B.&M, as recorded in book of deeds, page 605 et seq., San Luis Obispo County.

Parcel 3.

North half of the northwest quarter of the northeast quarter of section 16, T. 27 S., R. 9 E., M.D.B.&M.

DESCRIPTION OF PROPERTY

Surface facilities at the property are in a dilapidated condition. Two sheds and the upper terminal of the old tramway near the portal of the 400-level of the Oceanic Mine are the only surface facilities remaining. The treatment plant at the property has been removed, however, the old foundations might be of some future value providing additional ore is discovered.

EXISTING DEVELOPMENT 1/

The outcrop to the northwest of the portal of the 400-level was explored by surface trenches. The portal of an old 800 foot crosscut was recently reopened. The principal workings of the property are practically inaccessible and are too dangerous to enter. Only a few hundred feet of the 400 level was reported to be open. Figure 2 shows the workings that are known to be open. On a property as old as the Oceanic mine some old workings may not be known or mapped. The

1/ U.S. Bureau of Mines, Information Circular I.C. 6950, Oceanic Mine, San Luis Obispo County, Calif.

crosscut tunnel indicated on the attached map (fig. 2) was inspected.

SAMPLING

The following samples from the property were analyzed by the Division of Mineral Technology, Region II, Reno, Nev:

Sample No.	Lbs/T Hg	Width of cut feet	Remarks
S-326	6.0	9.0	Locations indicated on figure 2
S-327	0.6	5.0	
S-328	5.0	2.0	
S-329	0.2	2.0	

PAST OPERATION

The Oceanic Mine was discovered in 1865; and was operated during the periods 1875-82, 1902-20, 1927-32, 1934-38, and 1940. There has been no activity at the property since 1946.

Production from the property amounted to about 44,000 flasks of mercury. The ore was mined from one main ore body along a strike length of 500 feet and to a depth of over 800 feet. The width of the stope varied from a few feet to 40 feet.

LABOR AND SUPPLIES

Labor and supplies are available locally at Cambria and San Luis Obispo, Calif. Experienced miners are scarce in the county.

Electric power is available one mile south of the Oceanic Mine. There was approximately 50 gallons of water per minute flowing from the 400 level, and sufficient water is available for all essential

requirements.

GEOLOGY

The Oceanic mine property straddles a fault contact between Jurassic (?) Franciscan rocks and Tertiary sedimentary rocks. This fault, known as the Oceanic fault [2/], extends both northwest and southeast from the mine and has a displacement on the order of 2,500 feet, southwest side down. Along the Oceanic fault, several elongate bodies of serpentine and silica-carbonate rock have been found which contain cinnabar. The area of proposed exploration lies approximately 700 feet northwest of the old Oceanic mine, and contains one of these pods of serpentine and silica-carbonate rock.

Rocks of the Franciscan group are found on the northeast side of the Oceanic fault. They consist of graywacke and black shale, red banded chert and scattered small bodies of altered vesicular basalt. The structure of the rocks is unknown but they are highly deformed and poorly exposed because of landslides and deep soil cover.

Tertiary sedimentary rocks, including light-colored shales and siltstones, dark sandstones and some limy beds, are found on the southwest side of the Oceanic fault. In general, the beds strike northwest and dip northeast from 30 to 70 degrees with their dip increasing toward the fault. The Tertiary rocks are soft and poorly exposed.

Irregularly shaped bodies of intrusive serpentine, commonly

2/ Eckel, E. B., Yates, R. G., and Granger, A. E., 1941, Quicksilver deposits in San Luis Obispo County and southwestern Monterey County, Calif.: U.S.G.S. Bull. 922-R, p. 50.

associated with Franciscan rocks, are found locally along the Oceanic fault and are related to it. In the area to be explored an elongate lens of serpentine, about 130 feet long and up to 15 feet wide, crops out on the ridge northwest of the old Oceanic mine (fig. 2). It strikes northwest and dips steeply northeast. Underground in an old adit, driven almost under the cropping but 250 feet below it, serpentine is seen for about 150 feet along the northeast side of the drift. The serpentine in both exposures is highly sheared and its foliation parallels the fault contacts. Low grade cinnabar was found in some of the serpentine. Part of the serpentine has been hydrothermally altered into silica-carbonate rock, a favorable host rock for cinnabar in most California quicksilver deposits. The silica-carbonate rock is parallel with the serpentine lens and is exposed over an area measuring 130 feet long and 2 to 9 feet wide and locally contains disseminations of crystalline cinnabar.

The strike of the Oceanic fault varies from north to west along its ten mile length and the dip also varies from southwest to northeast. In the proposed contract area the fault strikes N. 20-70° W. and where exposed at the surface dips 72 to 90 degrees northeast. Underground it has a dip of about 70 degrees southwest which corresponds with observations elsewhere in the district.

A prominant yellow-brown ledge of brecciated and silicified shale and mudstone, 6 to 8 feet thick and striking N. 60-80° W., passes through the area about 70 feet south of the Oceanic fault and can be traced

for several hundred feet to the northwest. It is believed to be a branch of the Oceanic fault but apparently is not related to the cinnabar deposits.

Between the old Oceanic mine and the proposed contract area, the Oceanic fault is offset by one or more northeast-striking faults. Three small faults seen in the surface trench (fig. 2) show offsets of 2 to 10 feet, west side north, and may be related to similar but larger movement on a fault some 250 feet east of the trench.

ORE DEPOSITS

Cinnabar, the only quicksilver mineral seen in the area to be explored, occurs locally disseminated through serpentine and silica-carbonate rock. This occurrence is typical of most California Coast Range quicksilver deposits but is quite different from the old Oceanic mine where the quicksilver minerals were disseminated through Tertiary sandstone and siltstone along the Oceanic fault zone.

Euhedral crystals of cinnabar 1/2 to 1 mm in diameter were seen in the silica-carbonate rock and appeared to be concentrated in vertical zones 6 inches thick normal to the strike of the elongate pod. The silica-carbonate rock contains more cinnabar than does the serpentine.

In the proposed contract area, the mineralized serpentine and silica-carbonate rock is exposed in the trench (fig. 2) along its strike for 130 feet. This unit ranges from 2 to 15 feet in thickness, thins at both ends and is not seen beyond the limits of the surface workings. In

an old drift 250 feet below the trench, much serpentine was seen but no silica-carbonate rock was found. This may be because the adit is too far below the outcrop, the drift is not directly under the outcrop, or the silica-carbonate rock may be on the east side of the serpentine. Even though the silica-carbonate rock is probably along the footwall of the fault, the lenticular habit of similar ore bodies implies doubt that it extends more than half way down to the adit level.

Production from the old Oceanic mine totaled more than 44,000 flasks of quicksilver from ore averaging about five pounds of quicksilver per ton of rock. No production has been reported from the area of proposed exploration.

ORE RESERVES

The ore reserves of quicksilver deposits are difficult to estimate because of the erratic and spotty nature of the ore distribution. The following estimates of reserves, totaling about 242 flasks, do not carry too much weight because of this erratic nature.

Measured reserves in the block of silica-carbonate rock exposed by surface trenching, measuring 130 feet along the strike, averaging about 6 feet thick and 10 feet high, equal 430 tons averaging about 5 pounds of quicksilver per ton of rock, or 28 flasks. It is estimated that two-thirds of the block will contain ore of the average grade. There are no indicated reserves. Inferred reserves in a block 130 feet long, averaging 6 feet thick and 100 feet down the dip, might equal 3,250 tons

averaging about 5 pounds of quicksilver per ton of rock, or 214 flasks. About half of this block is inferred to be ore of the estimated grade. In estimating reserves a factor of 12 cubic feet per ton was used for silica-carbonate rock in place.

PROPOSED EXPLORATION

The applicant's request for a DMEA loan contained a proposed exploration program consisting of 3,200 feet of diamond drilling, two weeks of hand trenching and sampling, and 80 feet of drifting in an old adit. The program was set up in two stages as follows:

Stage I.

Drill 10 holes to test the silica-carbonate structure along the strike for 260 feet north from the surface cropping and down to 350 feet below the surface. Surface exploration of hand trenching and sampling for two weeks...	$21,778.00

Stage II.

Realign, and extend the old drift at least 80 feet to get under the favorable structure.....	9,989.00
Total cost.	$31,767.00

Time required for Stage I work was listed as four months. Time required for the completion of Stage II was also four months.

The applicant has proposed a good but overly ambitious drilling program for exploring a large structure at regular intervals. From existing exposures, there is no reason to infer that the serpentine or altered serpentine extends more than a few tens of feet beyond the northwest end

of the trench. A road cut exposing the Oceanic fault about 300 feet northwest of, and 100 feet below the trench reveals no serpentine or silica-carbonate rock; therefore, drilling in this area north of the surface workings can not be justified. Drilling to test the structure under the surface showings is justified, however, for the silica-carbonate rock should extend downward along the serpentine.

DESCRIPTION OF PROJECT

A modification of the original program was discussed with the applicant and mutually agreed upon. It was suggested that five or six holes (totalling about 1,000 feet in length) be drilled to determine whether or not the silica-carbonate rock continues downward with the serpentine. The exploration program could be set up in two stages. Stage I would consist of a small amount of bulldozing to provide access to the drilling site and the drilling of the first three holes, and Stage II would consist of drilling the remaining three holes. If the cinnabar-bearing rock is found 100 to 150 feet below the surface croppings and if it contains economically important amounts of quicksilver, then additional drilling or underground work could be planned to determine more thoroughly the size and grade of any ore body. The modified drilling program is tabulated below and plotted on figure 2:

Hole No.	Bearing	Dip	Total Depth
1	N 30° E	flat	160'
2	N 50° E	flat	160'
3	N 70° E	flat	180'
4	N 30° E	-20°	170'
5	N 50° E	-20°	170'
6	N 70° E	-20°	190'
		Total footage.....	1030'

It is recommended that the modified version of the applicant's original proposal for exploring the mineralized rock northwest of the old Oceanic mine by diamond drilling be approved because of the favorable geological setting and the present showings of cinnabar on the property.

EXPLORATION PROJECT

a. Expected starting date: March 15, 1955

b. Time required to complete project: Four months

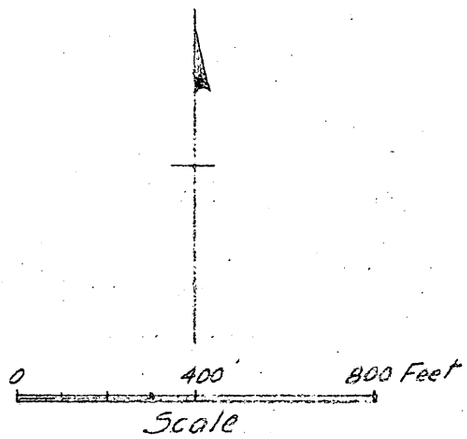
ALLOWABLE COSTS OF PROJECT

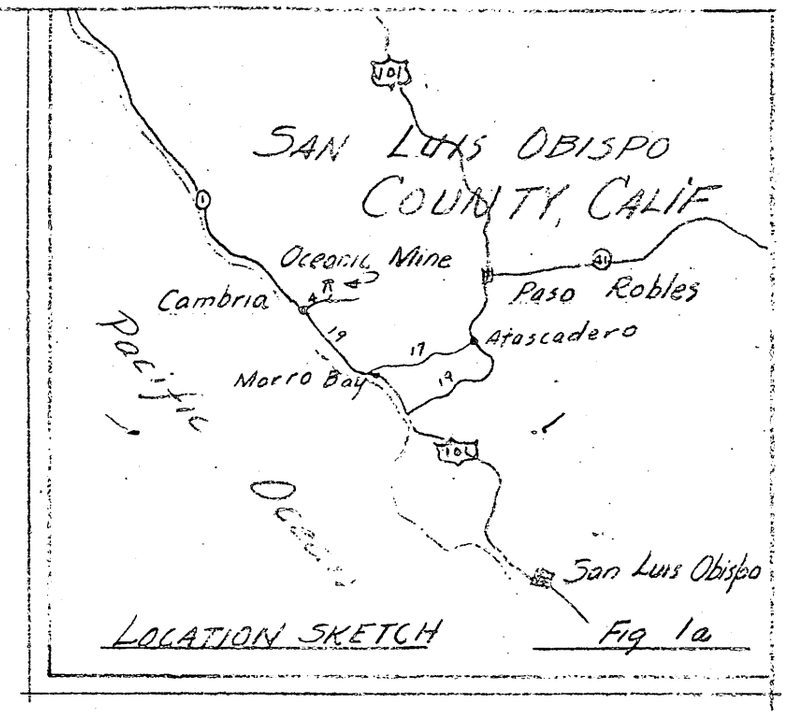
(a) Independent contracts:

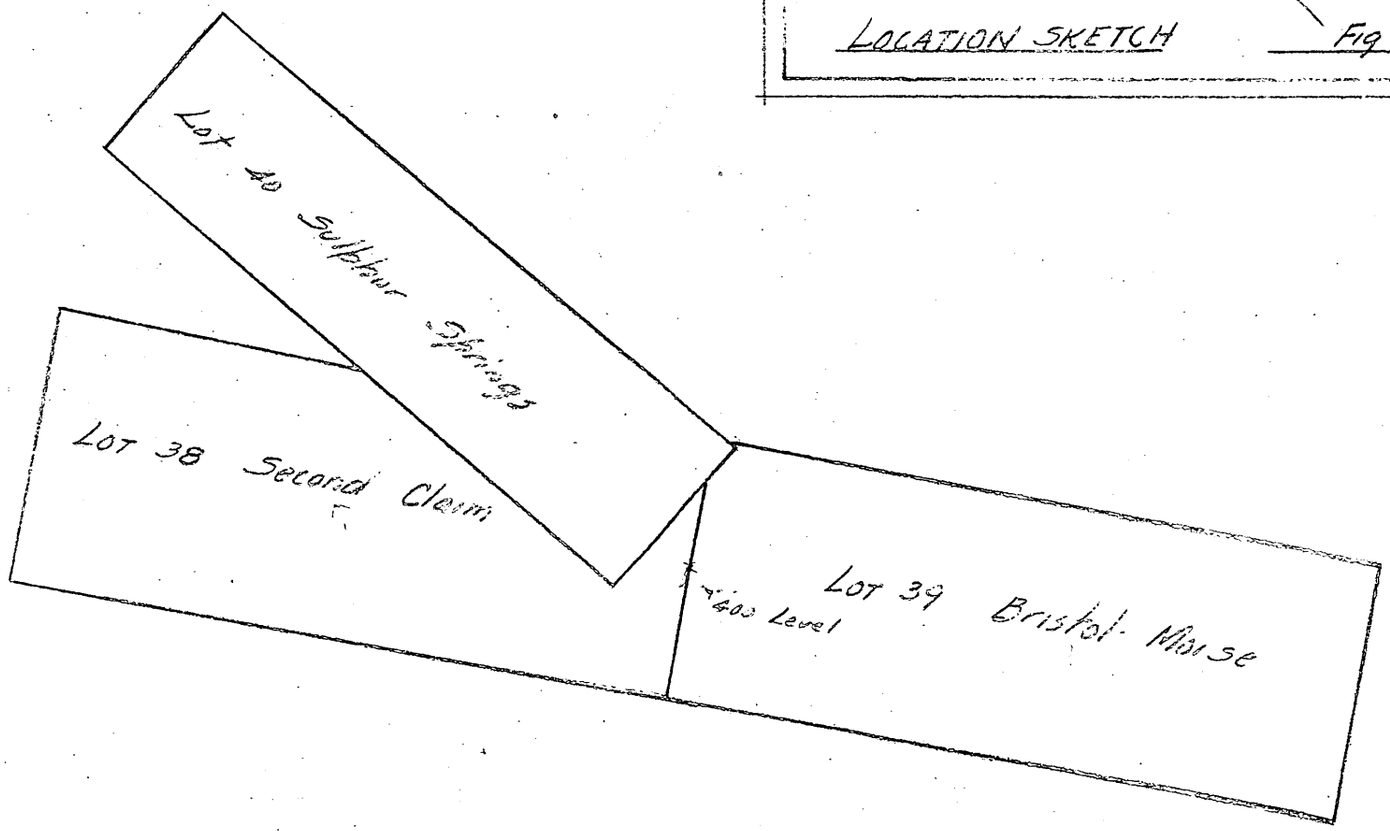
1. Bulldozing to provide access to drilling site - 30 hours @ $10.00/hr. $ 300.00

2. Diamond drilling 6 holes from surface diamond drill station with a total combined footage of 1,030 feet @ $8.00/ft. 8,240.00

(b)	Supervision and consultant - 4 months @ $400.00	$ 1,600.00
(c)	Operating material and supplies - 25 core boxes @ $4.00 each	100.00
(d)	Operating equipment	None
(e)	Initial rehabilitation and repairs for core shed	100.00
(f)	New buildings and improvements	None
(g)	Miscellaneous - 24 sample analyses @ $5.00/ea.	120.00
(h)	Contingencies	None
	Total cost	$10,560.00
	Government participation 75%	$ 7,920.00







Location Sketch & Claim Map Oceanic Mine, San Luis Obispo Co. Calif.
DMEA 3541 (Mercury)
(From Applicants Map.)

Figure 1a & 1b

11/15/54 gla

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 10, 1954

Hon. George W. Malone
United States Senate
Washington 25, D. C.

Re: Docket No. [illegible]-3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

My dear Senator Malone:

I wish to acknowledge your letter of November 2, 1954, relative to above subject docket.

The application and substantiating data have been referred to our engineers for a field examination and recommendations. The results of our field examination are forwarded to the Washington office, Mr. C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration, and can only be released through that office.

We thank you for your interest in the Defense Minerals Exploration Administration program.

Sincerely yours,

S. RICKER

S. Ricker
Executive Officer
[illegible] Field Team, Region III

Copy to: C. O. Mittendorf, Washington, D. C.
Roscoe Smith, USGS
A. C. Johnson, Reno

Surname 700

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

Ellis

NOV 22 1954

Hon. George W. Malone
United States Senate
Senate Office Building
Washington 25, D. C.

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County
California

My dear Senator Malone:

This will acknowledge your letter of November 16, 1954, with enclosed copy of letter to you by our Executive Officer, Region III.

I will be glad to inform you of the action taken on the captioned application when the Field Team report has been submitted and reviewed in Washington.

Sincerely yours,

C. O. Mittendorf

Administrator

EWEllis:am
11-19-54
cc to: Admr. Reading File
Docket
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
DMEA Field Team, Region III(2)
Code 700

R.C.G.

11/19/54 gla

GUY CORDON, OREG., CHAIRMAN
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United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 19 1954

November 16, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3541
Frank Vollmer
Oceanic Mine
San Luis Obispo, Calif.

Dear Mr. Mittendorf:

Reference is made to our previous correspondence relative to the above-captioned docket number. In this regard I am enclosing a copy of a self-explanatory letter from your San Francisco Regional Office.

I would appreciate it if you would continue to keep me advised of developments in connection with this loan application.

With best wishes, I am

Sincerely,

GEORGE W. MALONE, U.S.S.

Enclosure

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Admin.
Washington 25, D. C.

Defense Minerals
RECEIVED
NOV 19 1954

420 Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. DMEA-3541 - Mercury
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

Hon. George W. Malone
United States Senate
Washington 25, D. C.

My dear Senator Malone:

I wish to acknowledge your letter of November 2, 1954, relative to above subject docket.

The application and substantiating data have been referred to our engineers for a field examination and recommendations. The results of our field examination are forwarded to the Washington office, Mr. C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration, and can only be released through that office.

We thank you for your interest in the Defense Minerals Exploration Administration program.

Sincerely yours,

/s/ S. Ricker
Executive Officer
DMEA Field Team, Region III

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

Ellis
Hedges
Kilsgaard
Selfridge

Mr. Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, California

NOV 1 - 1954

Re: Docket No. DMEA-3541 (Mercury)
Oceanic Mine
San Luis Obispo County, California

Dear Mr. Vollmer:

The application for assistance in exploring your property in San Luis Obispo County, California, under the above-captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred for a field examination to the Executive Officer of Region III at the following address:

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
U. S. Bureau of Mines
420 Custom House
555 Battery Street
San Francisco 11, California

The Regional Office will contact you at the earliest opportunity in regard to your project.

It is noted in your letter of October 14, 1954, that you forwarded three copies of C. P. Keegel's Engineer's Report with the application and requested the three copies be returned to you. Although we should like to comply with your request, it is necessary to retain one copy of the report to complete the material in our docket file and to furnish the Field Team with a copy for their information in conducting an investigation. Accordingly, we are returning the third copy herewith.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

EWEllis/gla 10-29-54

Copies to: Hon. George W. Malone
United States Senate

Hon. Clifton Young
House of Representatives

cc to: Admr. Reading File
Docket
Me Code 700

R.C.S.

Surname copy

700

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

Ellis
Selfridge

NOV 1 - 1954

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

Dear Mr. Miller:

The captioned application is referred to Region III for a field examination and Field Team recommendation. A copy of the application and supporting data was forwarded to you on October 21. There is also enclosed a copy of C. P. Keegel's Engineer's Report on the subject property, a copy of which was not forwarded to you at the time of distribution of the application.

Enclosed are copies of memoranda from E. L. Newcomb, dated October 25, and Helena M. Meyer, dated October 28, 1954, Geological Survey and Bureau of Mines Mercury Commodity Members, respectively.

If a project is recommended, it is suggested that you impress upon the Applicant the necessity of supplying the Owner's Consent to Lien (in septuplicate). In the Applicant's letter of transmittal he requested a waiver of this form and stated, "... I shall be glad to furnish such proof of my own responsibility to perform in lieu thereof as you may require." The reason for this request should be thoroughly investigated at the time of making the field examination as much time may be saved in writing the Applicant in this matter.

Sincerely yours,

George C. Selfridge

(JHB)

Chairman, Operating Committee

Enclosures 5

EWEllis/gla
10-29-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
Code 700

APPROVED:

J. H. Hedges (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)

Member, Geological Survey

R.C.S.

10/28/54 glc

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

October 28, 1954

Memorandum

To: E. W. Ellis - DMEA

From: Assistant Chief, Base Metals Branch

Subject: DMEA Docket No. 3541 - Mercury - Frank Vollmer, 2726 Redondo Beach Blvd., California

It is proposed to explore the deposit by 10 diamond drill holes, four from the north side location for a total footage of 900', four from the upper south location for 800', and two from the lower south side location for a total of 1500', the last named to be dependent upon the findings developed by the first eight holes, for a total of 3200'. Surface exploration and stripping to a minor extent are likewise proposed.

This is a property with a long production record. Vollmer's claim of a 40,000 flask total is borne out by the Government record. There has been no production, however, so far as we can ascertain, since 1946.

It seems desirable to have a field team report on the property to confirm that the engineer has proposed the best method of exploration,under current conditions at the mine, and I recommend referral to the field. Perhaps sufficient data are already available in the San Francisco office of the Bureau of Mines and the Palo Alto office of the U. S. Geological Survey to judge the proposal without a field investigation. Bureau of Mines Information Circular 6950 gives conditions as of 1936.

The convenient location of the property and favorable labor and power supply are factors in its favor.

The application and the engineer's report are returned herewith.

Helena M. Meyer

Helena M. Meyer

Enclosure
Copy to: Minerals Division
Base Metals Branch
Thor. H. Kiilsgaard
H. M. Meyer
F i l e s

10/26/54 gla

IN REPLY REFER TO:

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

October 25, 1954

Re: DMEA-3541
Frank Vollmer
(Oceanic Mine)
San Luis Obispo Co.,
Calif.
$21,778 - Mercury

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant proposes a project involving trenching and diamond drilling 10 inclined holes totalling 3200 feet.

The old workings consist of one 400 foot tunnel. Past production is reported by the applicant to have been 40,000 flasks from a single ore shoot.

Reserves in the underground workings are unknown and were not investigated by the operator. However, trenching has disclosed a new outcrop of mineralization westerly from the former workings. Six samples were cut across the outcrop over widths of 3.75 to 14.5 feet. Assays ranged from 14.4 pounds per ton (width 3.75') to 5.2 pounds per ton (14.5').

Further exploration appears to be warranted. However, all the proposed drilling may not be justified at this time. A staged program probably would be the best arrangement with the first stage consisting of Holes 5-8.

I recommend the application be referred to the field for an examination and report.

E. L. Newcomb

E. L. Newcomb

Surname 700

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

Ellis

OCT 21 1954

Hon. Clifton Young
House of Representatives
Washington 25, D. C.

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

My dear Mr. Young:

This will acknowledge your letter of October 18, 1954, with regard to an application filed with this Agency by Mr. Frank Vollmer, 2726 Redondo Beach Boulevard, Redondo Beach, California. The application was received today and has been assigned the above docket number.

The application and report of Mr. C. P. Keegel submitted therewith are being reviewed by the Rare and Miscellaneous Metals Division and the Mercury Commodity Committee members of the Geological Survey and the Bureau of Mines.

I will be glad to keep you informed of the developments in connection with this application.

Sincerely yours,

E. O. Mittendorf (for)

Administrator

EWEllis:am
10-21-54
cc to: Admr. Reading File
Docket
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)
Code 700

R.C.S.

N YOUNG
ATIVE AT LARGE
NEVADA

WASHINGTON ADDRESS:
21 HOUSE OFFICE BUILDING

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
EDUCATION AND LABOR

Congress of the United States
House of Representatives
Washington, D. C.

October 18, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 19 1954
DMEA-3541

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

I have received from Mr. C. P. Keegel, a mining engineer at Las Vegas, Nevada, information with regard to his interest in the application recently filed for a mine development loan on the Oceanic Mine, Cambria, California.

Mr. Keegel forwarded to me a copy of the letter addressed to you by Mr. Frank Vollmer of California, dated October 14, 1954, with which the application for a development loan was transmitted. Mr. Vollmer's letter indicates that Mr. Keegel prepared the report which accompanied the application.

Both Mr. Vollmer and Mr. Keegel are desirous of early consideration of the application.

I shall appreciate it if you will advise me of developments in the matter.

Sincerely,

Clifton Young

Clifton Young, M.C.

k

Surname 700

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

Ellis

Hon. George W. Malone
United States Senate
Washington 25, D. C.

OCT 21 1954

Re: Docket No. DMEA-3541 (Mercury)
Frank Vollmer
Oceanic Mine
San Luis Obispo County, California

My dear Senator Malone:

This will acknowledge your letter of October 18, 1954, with regard to an application filed with this Agency by Mr. Frank Vollmer, 2726 Redondo Beach Boulevard, Redondo Beach, California. The application was received today and has been assigned the above docket number.

The application and report of Mr. C. P. Keegel submitted therewith are being reviewed by the Rare and Miscellaneous Metals Division and the Mercury Commodity Committee members of the Geological Survey and the Bureau of Mines.

I will be glad to keep you informed of the developments in connection with this application.

Sincerely yours,

J. G. Mittendorf

Administrator

EWEllis:am
10-21-54
cc to: Admr. Reading File
Docket
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)
Code 700

R.C.S.

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United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 19 1954
DMEA-3541

October 18, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

It has come to my attention that Mr. Frank Vollmer, 2726 Redondo Beach Boulevard, Redondo Beach, California, has filed an application with your agency for a development loan on the Oceanic Mine, Cambria, California.

Early and favorable consideration of Mr. Vollmer's application will be very much appreciated. Also, I would appreciate hearing from you as things develop.

With kindest regards, I am

Sincerely,

Geo W Malone

George W. Malone, U.S.S.

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

October 21, 1954
Subject: DMEA-3541
Re: Exploration Assistance
Oceanic Mine

Mr. Frank Vollmer
2726 Redondo Beach Blvd.
Redondo Beach, Calif.

Dear Sir:

The receipt of your application dated October 14, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3541 and referred to the Rare and Miscellaneous Metals Division.

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

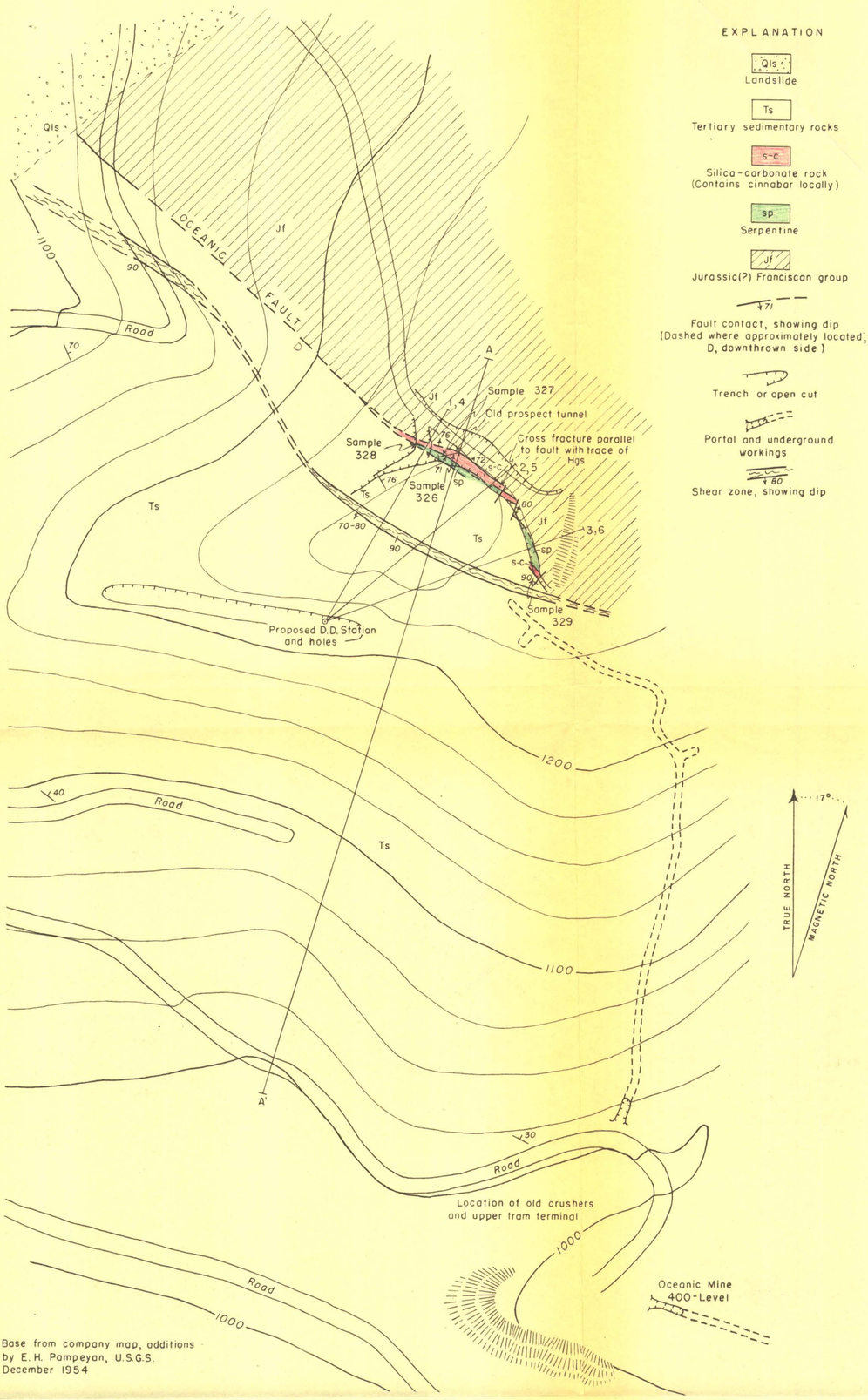
Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

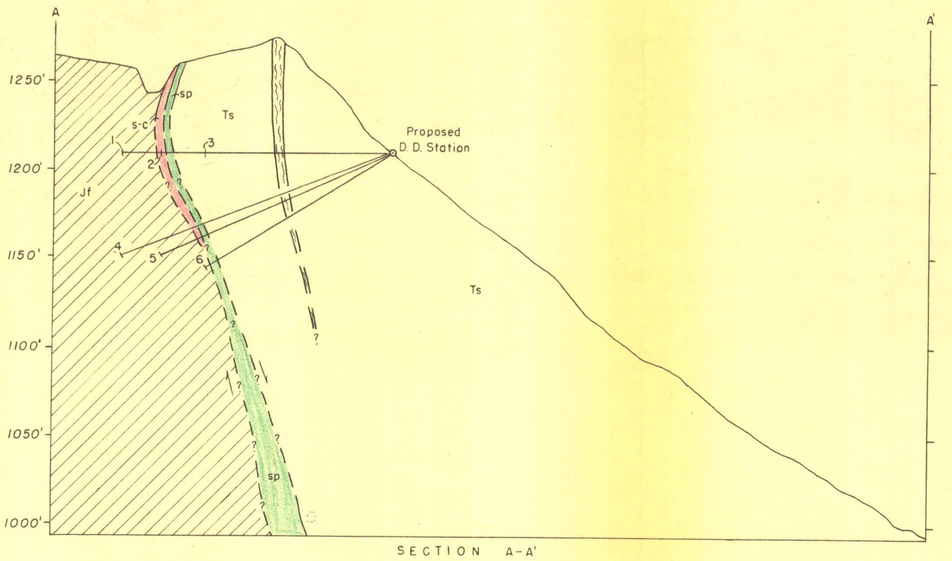
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3541
(MERCURY)



Base from company map, additions by E. H. Pampeyan, U.S.G.S. December 1954

SURFACE



SECTION A-A'

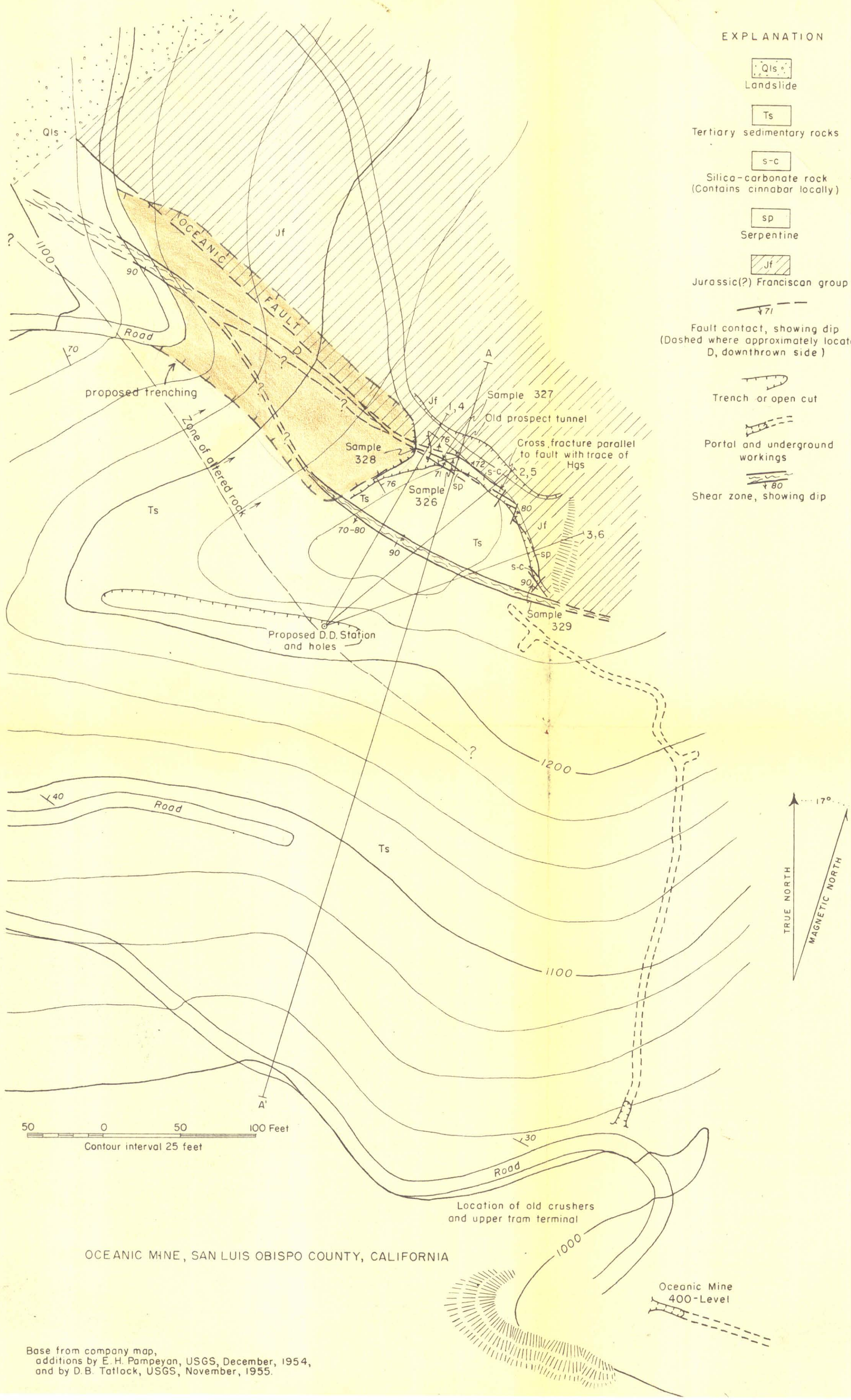
OCEANIC MINE, SAN LUIS OBISPO COUNTY, CALIFORNIA

0 50 100 150 Feet

FIGURE 2

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3541
(MERCURY)

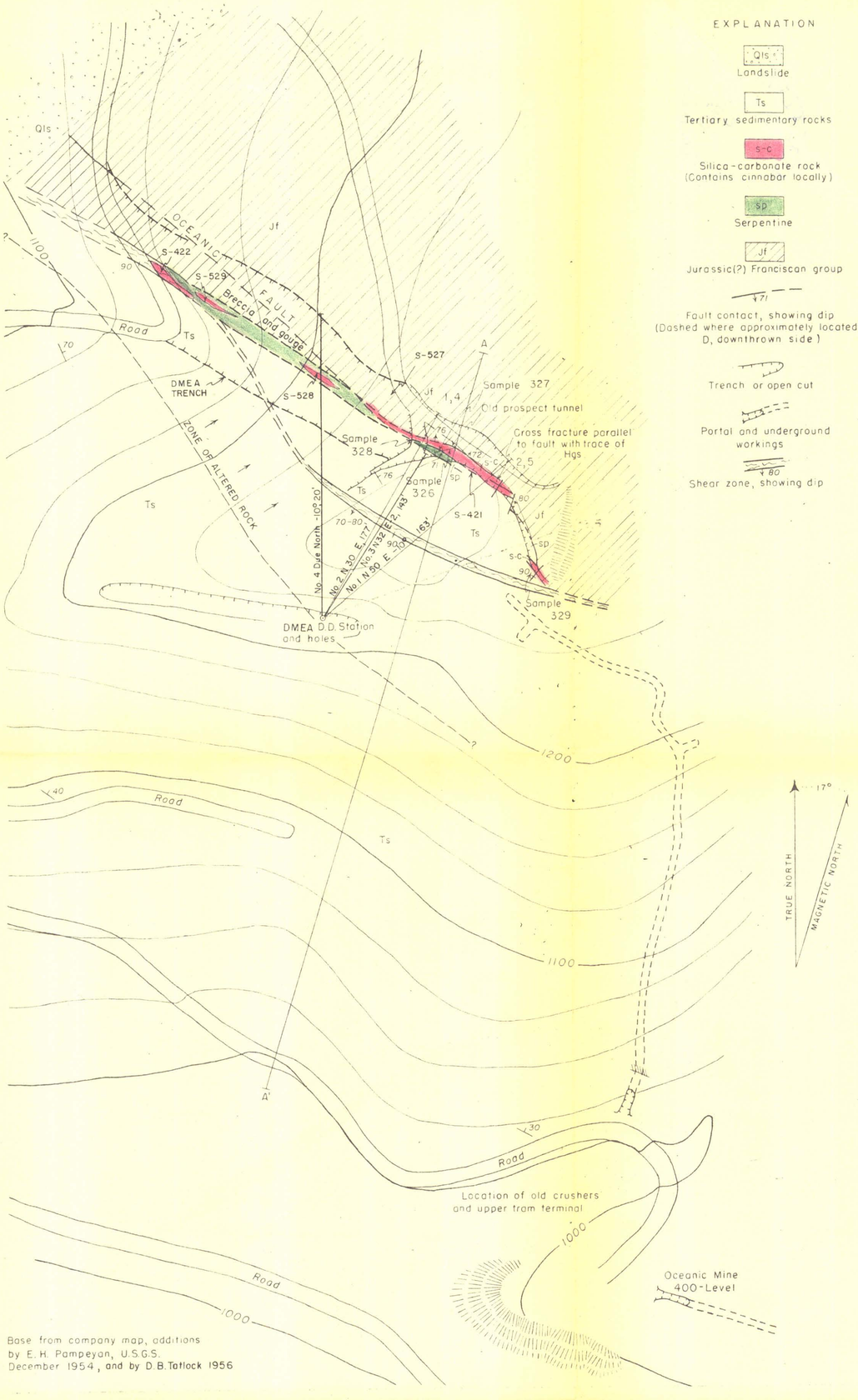


OCEANIC MINE, SAN LUIS OBISPO COUNTY, CALIFORNIA

Base from company map,
additions by E. H. Pampeyan, USGS, December, 1954,
and by D. B. Tatlock, USGS, November, 1955.

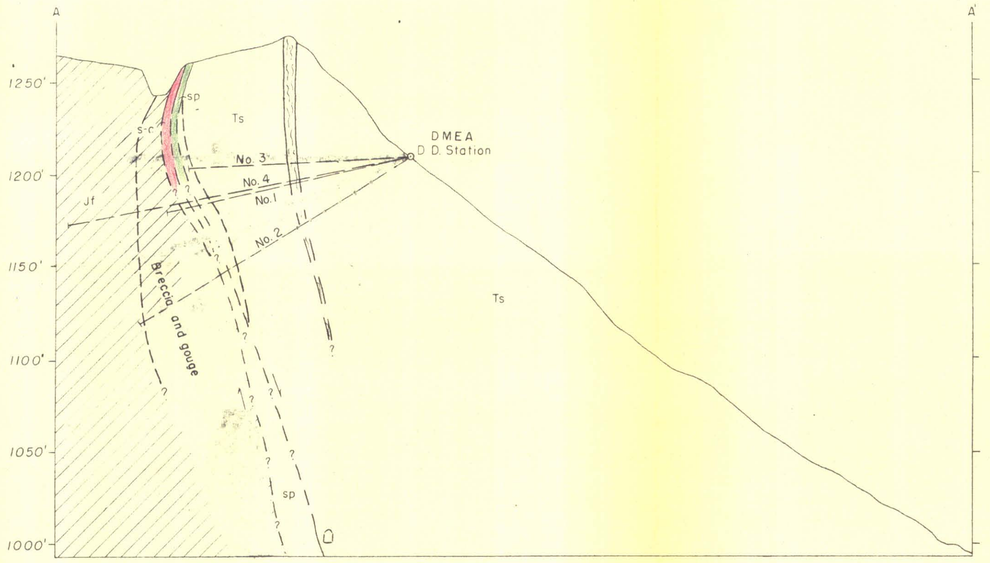
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3541
(MERCURY)
Idm E-766



Base from company map, additions by E. H. Pampeyan, U.S.G.S. December 1954, and by D.B. Tatlock 1956

SURFACE



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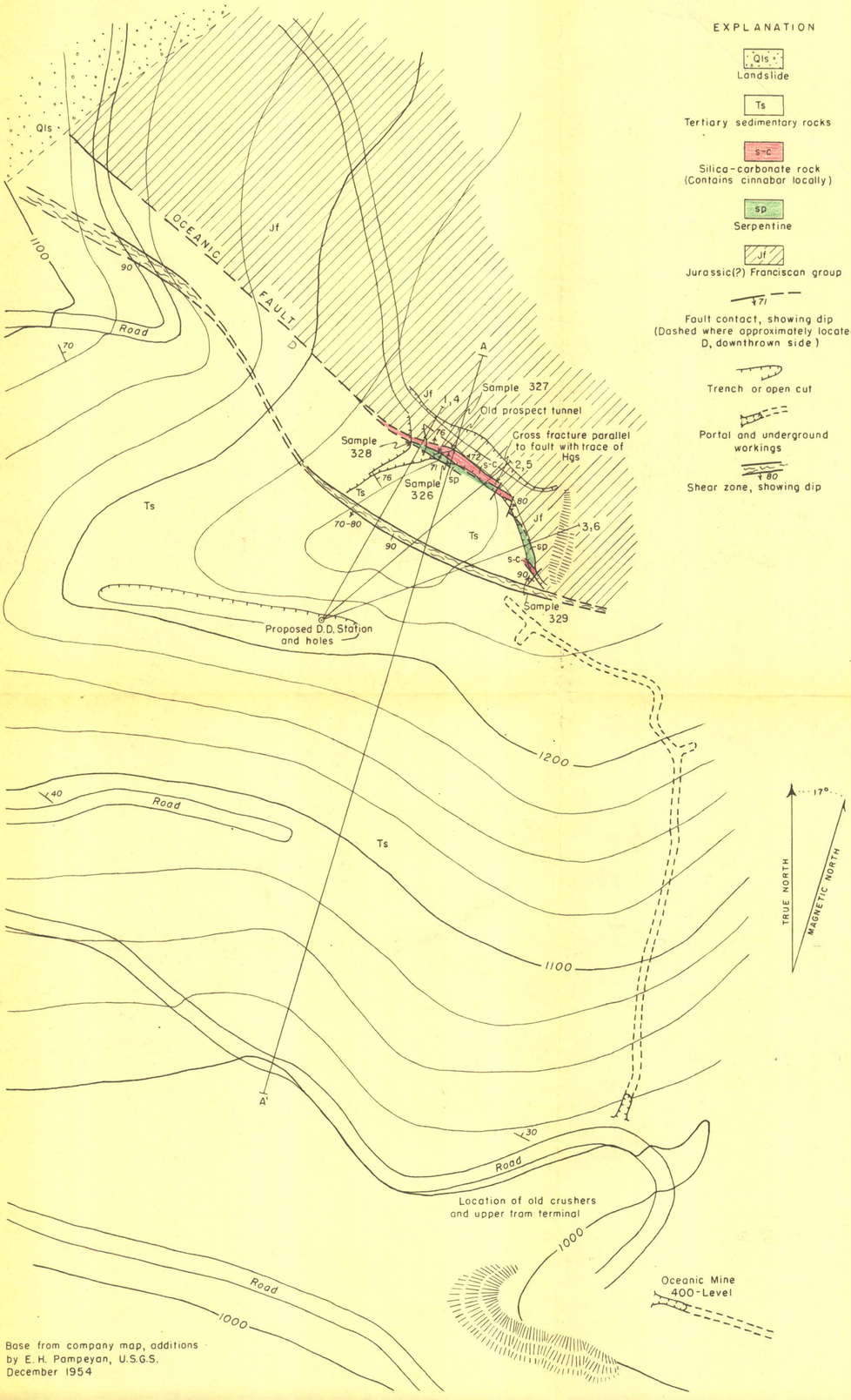

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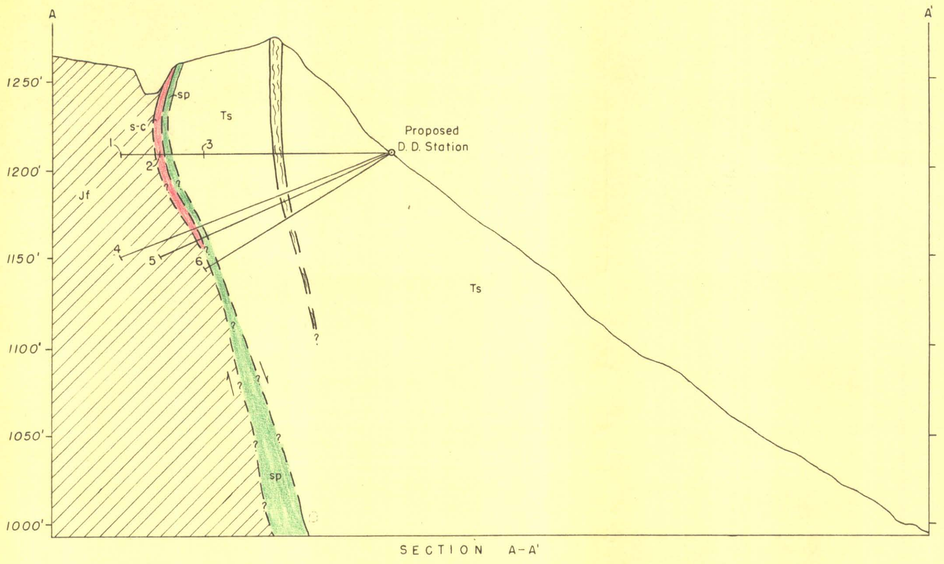
SURFACE



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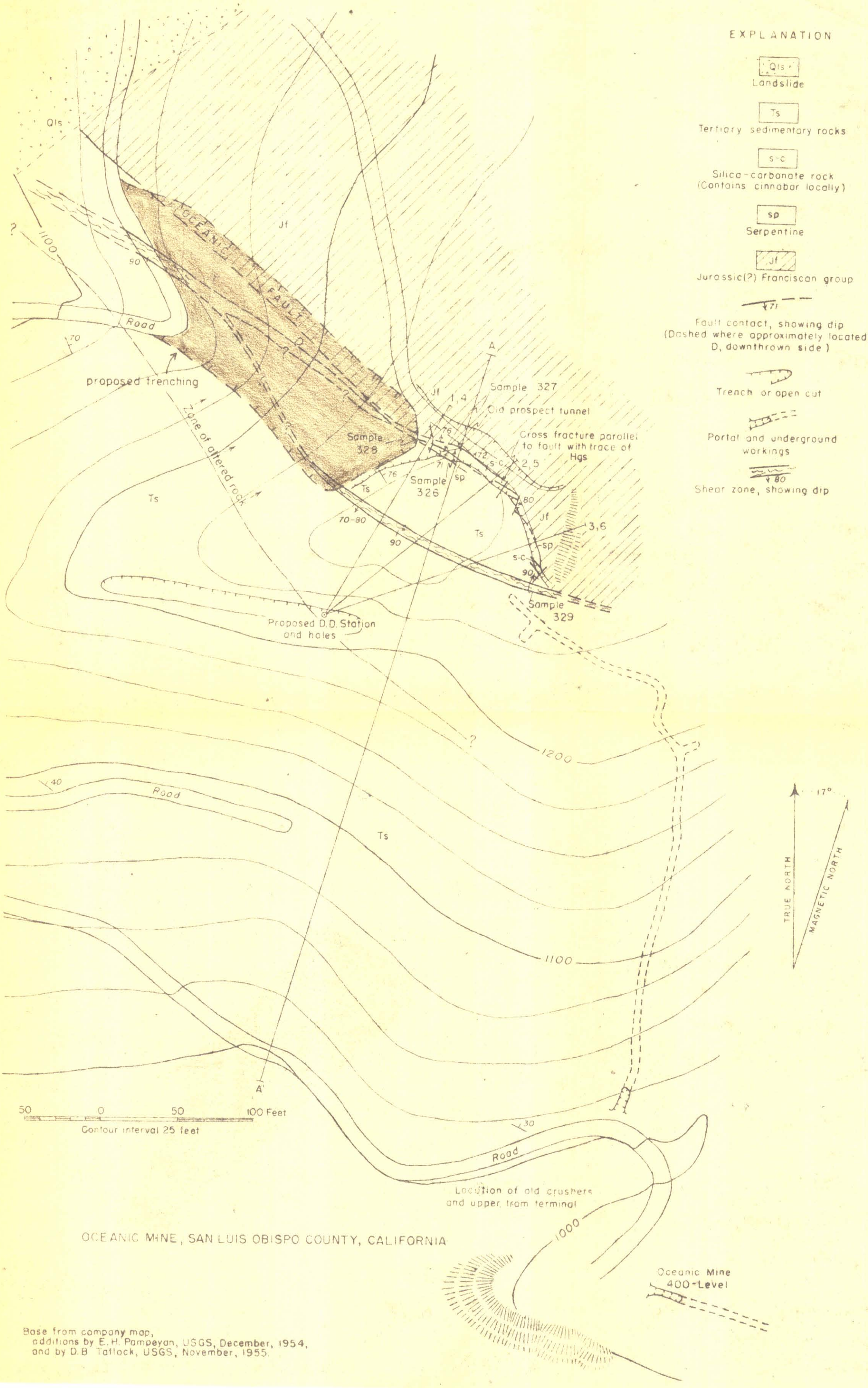

OCEANIC MINE, SAN LUIS OBISPO COUNTY, CALIFORNIA

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