DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E-999 DMEA NO. 4155

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(Withdrawn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

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

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

Left Side

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

Right Side

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

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

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

Left Side

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

Right Side

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

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

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

R.C.J.

Government's copy

Rubin
Lawyer
Appl. Sol. Off.
Chapman
Martin
Chapline
Selfridge
Johnson

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 26th day of August, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Toyon Mine Company, a partnership, of Calistoga, California, parties to that certain Exploration Project Contract No. Idm-E999 (Docket No. DMEA-4155), dated August 24, 1956, that said Contract is hereby rescinded, revoked, and cancelled as of August 24, 1956, before any work has been performed or any costs have been incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitchelson
Administrator, Defense Minerals
Exploration Administration

TOYON MINE COMPANY

By Alvin M Bentley
Alvin M. Bentley (Partner)

By Charles K. Connolly
Charles K. Connolly (Partner)

By _____
Elmer Neller (Partner)

OFFICIAL FILE COPY
DMEA
RECEIVED 4 1957

DATE		CODE
10/7	WSM	400

By Rubin
Advise that document is legal.
JLC

Docket Copy

MF-200A
(Rev. April 1956)

RECEIVED
OCT - 3 1956

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4155	Mercury	Idm-E 999	Napa	California

It is agreed AUG 2 4 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Toyon Mine Company, a partnership consisting of Alvin M. Bentley, Charles K. Connolly and Elmer Neller

whose mailing address is Route #1, Box 150, Calistoga, California

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before November 15-1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within nine months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $16,120.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $12,090.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Royalty as set forth in the lease.

(b) 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: Consent to Lien of George R. Anderson and Audrey B. Anderson

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

TOYON MINE COMPANY
(Operator)

By Alvin M Beatley (Partner)

By Charles K Connolly (Partner)

By Elmer Nellet (Partner)

By O Mitteudorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

Indritz 8/15/56
Lawyer
"Appd. Sol. Off."
McMahon
Martin
Chandler
Selfridges
Johnson

RECEIVED
OCT - 5 1953

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. DMEA-4155

ANNEX I

The land referred to in Article 2 of this Contract consists of the W.½ SE.¼ and E.½ SW.¼ sec. 27, and the NW.¼ NE.¼ and NE.¼ NW.¼ sec. 34, T. 10 N., R. 6 W., M.D.B. & M., Napa County, California.

The Operator possesses control of this land by virtue of a lease, executed July 1, 1954, and running for five years, between George R. Anderson and Audrey B. Anderson, his wife, lessors, and Charles K. Connolly and Alvin M. Bentley, lessees and partners in the Toyon Mine Company.

EXPLORATION PROJECT CONTRACT
TOTOS MINE COMPANY
DOCKET NO. DMRA-4155

EXHIBIT "A"

Attached hereto and made a part hereof are two maps entitled:

I. FIGURE 1 - LOCATION MAP, CALIFORNIA

2. FIGURE 2 - TOTOS MINE, NAPA COUNTY, CALIFORNIA

Description of the Work

This exploration program consists of enlarging approximately 30 feet of the existing winze, sinking the winze an additional 20 feet, and 400 feet of crosscutting and drifting from the bottom of the winze. The work is divided into two successive stages. Stage I is designed to expose promising structures northeast and southeast of the winze 50 feet below the adit level; Stage II is designed to explore these targets for possible ore bodies.

The Operator shall perform Stage I and shall perform so much of Stage II as the Government approves in writing in advance.

All significant mineralized zones in the winze, crosscuts and drifts shall be sampled and the samples assayed for mercury. The Operator's Monthly Progress Report shall include a map or sketch showing the advance made, and the locations and assays of all samples taken, during the reporting period.

The winze, crosscuts and drifts shall be timbered as necessary. The winze, for its total depth, shall have minimum dimensions of 4 feet by 6½ feet in the clear of timber. The crosscuts and drifts shall have a minimum cross section of 5 feet by 7 feet in the clear of timber.

The items of exploration work to be performed are as follows:

Stage I

Item 1. Enlarge existing 30-foot winze to dimensions specified above.

Item 2. Sink existing winze 20 feet to a total depth of 50 feet below the adit level.

Item 3. Crosscut from the bottom of the winze not more than 170 feet on a bearing of about N 20° E to intersect the northwest-trending mineralized fault zone.

Item 4. Crosscut from the bottom of the winze not more than 40 feet on a bearing of about S 14° E to intersect the northwest-trending mineralized shear zone.

Stage II

Item 1. Drift from the new northeast crosscut not more than 90 feet to explore for orebodies along the northwest-trending fault.

Item 2. Drift from the new south crosscut not more than 100 feet on a bearing of about S 70° E along the northwest-trending shear zone.

Fixed Unit Costs

Stage I

Enlarging and retimbering winze, 30 feet	@ $20.00/ft.	$ 600.00
Sinking winze, 20 feet	@ $70.00/ft.	1,400.00
Crosscutting 210 feet	@ $28.00/ft.	5,880.00
Timbering crosscuts as necessary 210 feet	@ $7.00/ft.	1,470.00
20 Assays	@ $3.00 each	60.00
Total - Stage I		$9,410.00

Stage II

Drifting 190 feet	@ $28.00/ft.	$5,320.00
Timbering drifts as necessary, 190 feet	@ $7.00/ft.	1,330.00
20 Assays	@ $3.00 each	60.00
Total - Stage II		$6,710.00

SUMMARY

Estimated Total Cost of Stage I	$9,410.00
Estimated Total Cost of Stage II	6,710.00
Estimated Total Cost of Project	$16,120.00
Government Participation @ 75%	$12,090.00

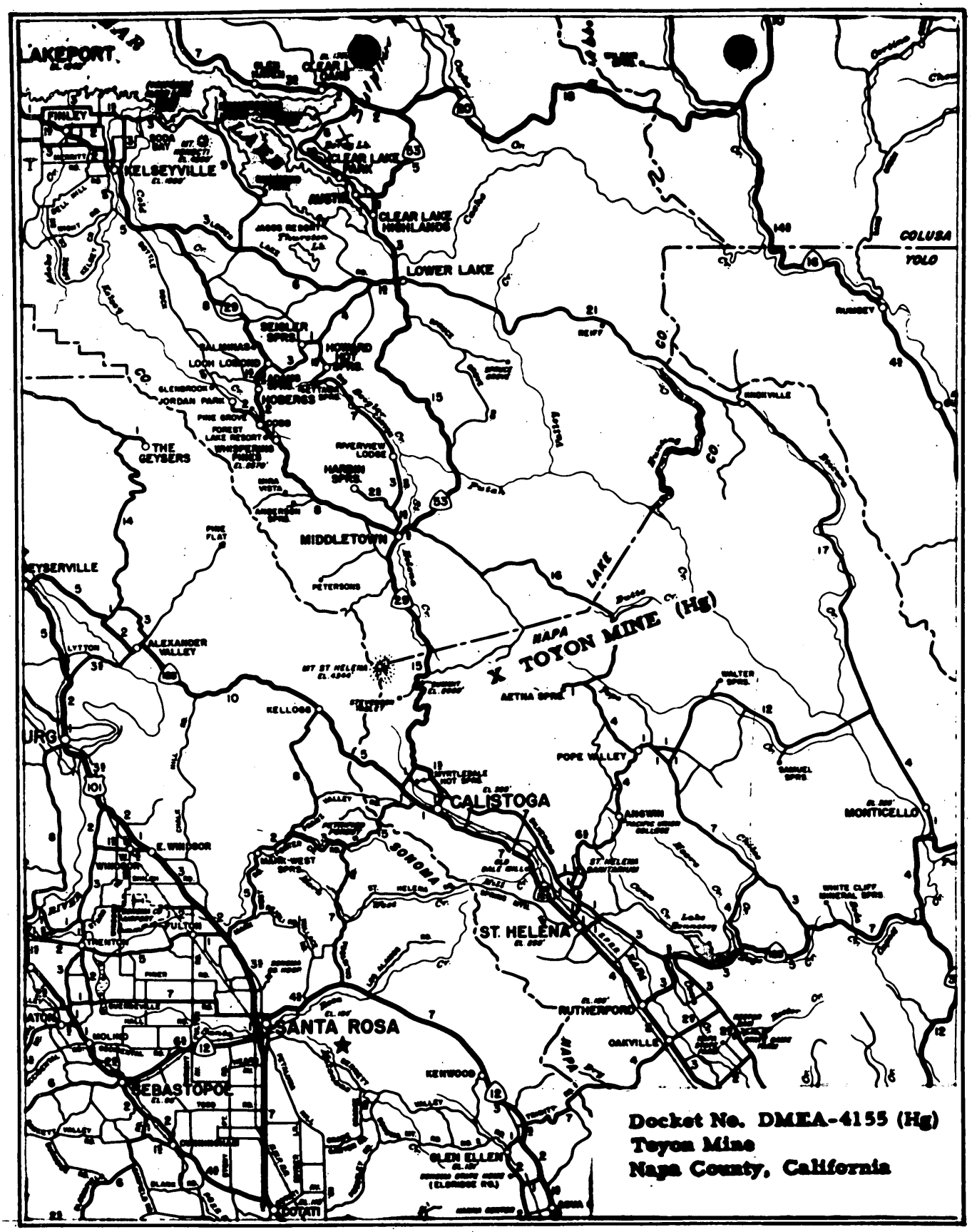


Figure I LOCATION MAP CALIFORNIA

MF-205
(Combines and supercedes MF-20[illegible]d MF-203)
June 1956

For Government's Use Only
EXPLOR[illegible]N PROJECT CONTRACT
Operator
Docket No. DMEA-4155
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED
OCT - 3 1956

To the United States of America:

Referring to that certain land in the County of Napa, State of California, described as follows: 2/

W. ½ SE. ¼ and E. ½ SW. ¼ sec. 27, and the NW. ¼ NE. ¼ and NE. ¼ NW. ¼ sec. 34, T. 10 N., R. 6 W., M.D.B. & M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 4th day of September, 1956.

George P. Anderson [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

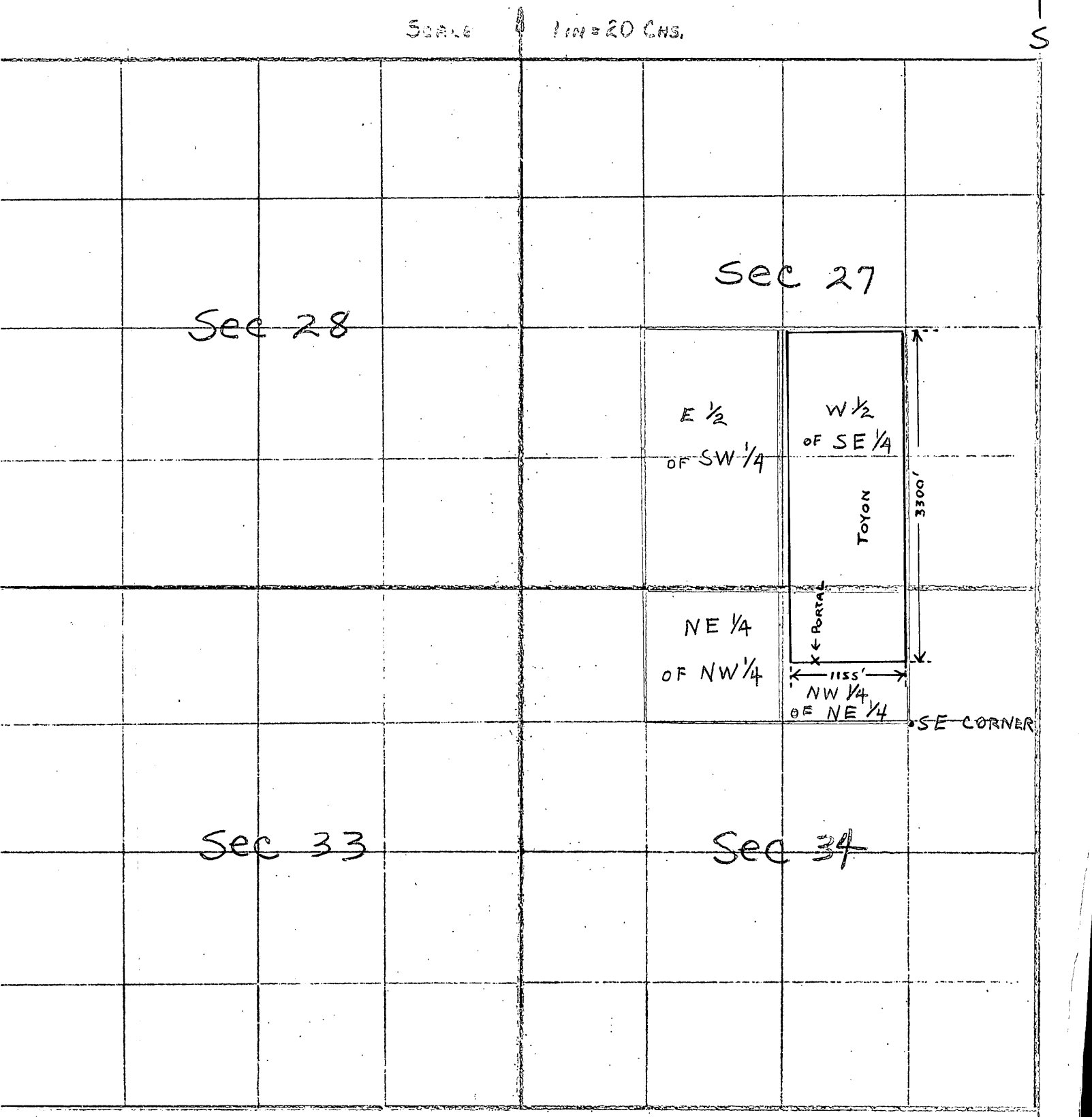
I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED
OCT - 3 1956

SECTIONS 27, 28, 33, 34 TOWNSHIP 10 N, RANGE 6 W.



ANDERSON ENTIRE PATENTED PROPERTY - IN RED

TOYON MINE PROPERTY OUTLINED IN BLACK

Docket DMLA-4155
Toyon Mine Co.
Toyon Mine
Napa County, Calif.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

FEB - 8 1956

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. DMEA-4155
Metal or Mineral Mercury
Date Received [redacted] 2/2/56
Estimated Cost $14,739.50
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: TOYON MINE COMPANY, Rt. 1 BOX 150, CALISTOGA, CALIF
PARTNERS - ALVIN M. BENTLEY - RT. 1 BOX 150, CALISTOGA
- CHARLES K. CONNOLLY - CALISTOGA, CALIF
- ELMER NELLER - RT. 2 BOX 356, ST. HELENA, CALIF.

(*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
SEC. 34, T. 10 N., R. 6 W., IS LOCATED ABOUT A MILE SOUTHEAST OF THE OAT HILL MINE

(*b*) State any mine name by which the property is known. TOYON MINE

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
LESSEE

(*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. ENCLOSED COPY OF LEASE (PLEASE RETURN)

(*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 6 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 (LABOR)

Explain in detail on acompanying paper. EQUPMENT OWNED BY US MARKED WITH RED CHECK MARK ON ESTIMATE LIST - (6-D)

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 January 26, 1956

Toyon Mine Co.
(Applicant)

By Alvin M Bentley
Rt 1 Box 150
Calistoga California

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

4-a Old works are being opened up by two of the partners. The mine is open for over 400 ft. for inspection.

4-b Past production unknown-- Current production none.

RECEIVED FEB - 3 1953

4-c See two pages enclosed.

4-d Road all the way to mine- 25 miles to shipping and supply.

4-e Manpower and supplies available- Power will have to be by diesel electric- Water adequate.

5-b Proposed work shown in red pencil on attached map.

5-d Two partners working-
Alvin M. Bentley- 11 years experience.
Elmer Neller- over 20 years experience.

6-a None

6-b 2 miners - 16.00 per day ---------- ~~12x00~~ $2400.00
1 top man - 16.00 " " ---------- 1200.00
Personally supervised.
Mining engineer and Geologist to be consulted at times.

6-c Explosives ---------- 136.00
Gaspline ---------- 75.00
Carbide ---------- 52.00
Steel and jackbits ---------- 49.50
Shovels and picks ---------- 31.00
Timber - ---------- 428.00

6-d Compressor ---------- 600.00
Jackhammer ---------- 385.00
Bulldozer ---------- 1000.00
Mine car ---------- 40.00
Pump ---------- 235.00
Track ---------- 225.00
Pipe ---------- 373.00
Diesel electric ---------- 3500.00
Hoist ---------- 650.00

6-e Do our own repairs. None needed at present.

6-f Change room ---------- 500.00

6-g Maintenance ---------- 380.00
Assaying ---------- 480.00
Compensation and liability insurance ---------- 500.00
Payroll taxes ---------- 300.00

6-h Contingencies ---------- 1000.00

Total--- 14739.50

Loyn Mine Company
Alvin M. Bentley
Rt. 1 Box 150, Calistoga, Calif.

ore were treated, yielding 3527 flasks of quicksilver for an average grade of 0.16 percent of quicksilver per ton. In the year 1898, 32,489 tons of ore were treated for an average yield of 0.80 percent. The grade for the years 1876-1910 probably averaged between 0.75 and 1 percent per ton, although old records indicate an average grade of 2 percent for the years 1879-80.[14]

Oat Hill Extension Mine

The Oat Hill Extension mine (sometimes called Anderson), in sec. 27, T. 10 N., R. 6 W., which was visited during the autumn of 1941, adjoins the Oat Hill mine along its eastern side. It is owned by Zack Anderson, of Middletown, and has been in operation intermittently since 1932. The workings, which total only several hundred feet in length, are probably in the southeastern end of the Manzanita vein where it extends beyond the Oat Hill mine property. The ore, which is similar to that now being mined from the Osceola vein of the Oat Hill mine, is treated in a retort after being concentrated on a jig.

Toyon Mine

The Toyon mine (formerly the Granada, also Switzer mine), in sec. 34, T. 10 N., R. 6 W., is located about a mile southeast of the Oat Hill mine. It was opened in 1929, but the first recorded production was not until 1933. Since then the mine has had a small and erratic production. It is owned by Frank Adams of Pope Valley. There are two sets of workings, the Granada and Toyon. The Granada tunnel was inaccessible during the time of the field work but reputedly is several hundred feet long. The Toyon workings (fig. 4) consist of an inclined shaft, two main levels, and several sublevels. The upper levels were inaccessible in December 1941, but most of the lower (No. 2) level was open, as well as the sublevel immediately above it. Only the Toyon workings are described below.

The country rocks are sandstone and shale of the Franciscan group. The sandstone is hydrothermally altered to a soft gray rock. The main ore body is in a northwestward-trending zone of disturbed and faulted rocks, and another, unexplored, ore body is along a fault which strikes N. 70° W. and dips 45° north. Neither of these faults can be traced on the surface. The main ore body pitches steeply to the east. It has been stoped only above the lower level; hence nothing is known of its downward continuation. Cinnabar occurs as crystals disseminated in altered sandstone and along fracture planes.

Further exploration should include the determination of the downward extent of the ore body. Other ore bodies may exist along the strike of the fault that cuts the northern end of the No. 2 tunnel (fig. 4).

Corona-Twin Peaks Area

General Geology

The Corona-Twin Peaks area, in Napa County, which includes the Corona and Twin Peaks mines, is on the south flank of the Mayacmas anticline, opposite the Oat Hill mine. Both mines are in the same serpentine body as the Phoenix workings of the Aetna mine (pl. 29). The rocks are serpentine, silica-carbonate rock, sandstone, and shale of the Franciscan group, and tuffs of the Sonoma volcanics. The prevailing dip of the rocks and structures that control the ore bodies is to the south.

[14] Palmer, Lyman L., History of Napa and Lake Counties, California, p. 170, 1881.

Toyon Mine Company
Alvin M. Bentley
Calistoga, Calif

In this area the northern border of the serpentine body is a discontinuous and irregular ledge of silica-carbonate rock, in which is located the Corona mine. About a quarter of a mile south of this ledge is a parallel ledge of silica-carbonate rock, in which is located the Twin Peaks mine. Both ledges have been broken by minor late fault movements.

Mines

Corona Mine

The Corona mine, in secs. 32, 33, T. 10 N., R. 6 W., began production in 1895. It is about 10 miles by graded road from Middletown, and can also be reached from Calistoga via the Livermore Ranch road. The Vallejo Quicksilver Mining Company, Vallejo, California, operates the mine. The mine was active between 1895 and 1906, and intermittently from 1941 to 1943. The workings (shown on pl. 38) consist of about 2 miles of drifts, crosscuts, and adits. One of the three main ore bodies was worked partly by an open pit. Less than 10 percent of the Corona workings were accessible during 1941 and 1942; consequently, descriptions below are based upon old mine maps and published reports, supplemented by observations on the surface and in the accessible part of the mine.

The silica-carbonate rock ledge that encloses the ore shoots of the Corona mine strikes N. 65° W. and dips, on an average, about 45° southwest. Its contact with the underlying Franciscan rocks is a thrust fault, the silica-carbonate rock being thrust over the Franciscan rocks and locally over tuffs of the Sonoma volcanics. Its contact with the overlying serpentine, although gradational, is fairly sharp. The ledge has an average thickness of about 75 feet. According to an old map the ledge is intersected by a drain tunnel 700 feet vertically below the outcrop. The ledge is broken by two sets of joints, one roughly parallel to the strike and dip of the ledge and the other, which is vertical, at right angles to the strike of the ledge. The ledge rock is dominantly dark green to black opaline silica. Cinnabar occurs as dark red crystals disseminated through it and as crystalline coatings on fracture faces. Locally the ore contains over 10 percent pyrite, which makes it difficult to treat in the furnace.

There were at least three separate ore shoots in the Corona mine; all were in silica-carbonate rock and all pitched southwest. The stopes of the ore body near the No. 2 tunnel were inaccessible, but the upper parts of the other two ore bodies were examined. The largest ore body was in the vicinity of the No. 1 and No. 3 tunnels and was worked from the surface to a depth of at least 440 feet. All stopes below the No. 3 level were inaccessible, but their probable form is shown on plate 38. On the No. 3 level this ore shoot was stoped for a length of almost 100 feet and a width of about 50 feet, and the open cut on the surface is of comparable size. In 1902 according to Forstner,[15] this ore shoot was "opened for a length of 160 feet and has been persistent from the surface to the present depth of 450 feet." In 1941 another ore shoot was discovered on the surface about 250 feet east of the open pit. This ore shoot is probably the same as that on the No. 2 level just east of the winze that goes down to the 1853-foot level. All that is known of the southeast ore shoot (near No. 2 tunnel) is shown on plate 38. If it continues to pitch in the same direction it probably joins the main ore shoot about the

[15] Forstner, William, op. cit., p. 79.

LEASE

THIS LEASE, made this 1st day of July, 195[illegible], between [illegible] R. ANDERSON and AUDREY B. ANDERSON, his wife, of the County of Kern, State of California, hereinafter called Lessor, and CHARLES E. COMBELLE and ARVIN E. BERTLEY, hereinafter called Lessee,

WITNESSETH:

That the Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, does hereby lease to the Lessee all that certain real property situate in the County of Kern, State of California, known and described as TOKAY MINE lying between the Panlicich Ranch and Oat Hill Extension Mine, the west line of which runs two hundred (200) feet West of the main Tayan Mine tunnel and is parallel to the East line and running the entire length of the following described property, to wit:

> The West half of the Southeast quarter and the East half of the Southwest quarter of Section 27, and the Northeast quarter of the Northeast quarter, and the Northeast quarter of the Northwest quarter of Section 34, all in Township 10 North, Range 6, West, M.D.M. Containing 240 acres of land.

entire property

TO HAVE AND TO HOLD unto the said Lessee for the term of five (5) years from date hereof, unless sooner forfeited or terminated through the violation of any covenant as hereinafter provided.

And in consideration of such demise, the Lessor and the Lessee do hereby covenant and agree as follows:

1. Lessee promises and agrees to pay to Lessor as royalty 15% of the gross proceeds of any quicksilver recovered from said property, said payment to be made either in quicksilver or lawful money of the United States at the option of Lessee; all reduction of ore, milling and retorting to be

Please refer to [illegible]

performed on the property herein leased. Lessee agrees to pay to Lessor a minimum royalty of Thirty Dollars ($30.00) per month in advance commencing thirty (30) days after the execution of this lease, said sum shall be credited against any earned royalty and shall not be payable in any month when the royalty equals or exceeds the sum of Thirty Dollars ($30.00) per month; total royalties to be not less than Three Hundred Sixty Dollars ($360.00) per year.

2. Lessee shall have the immediate right to enter upon the above described premises and every part thereof and to work, mine and operate the same, and to extract, reduce, treat, ship and sell the ores and values contained in or upon said premises and this right shall continue during the term of this lease.

3. All the work done and improvements made upon the said premises by the Lessee shall be done or made in good, proper, miner-like and workmanlike manner and in accordance with the requirements, rules and regulations of the Industrial Accident Commission of the State of California.

4. The Lessor and his agents shall have the right at all times to enter into and upon said premises and all workings thereon for the purpose of inspection but such visits shall be so conducted as not to unreasonably interfere with the work being carried on by the Lessee.

5. The Lessor shall have the right to be present at all cleanups on the property.

6. The Lessee agrees that as soon as work shall be commenced by any employee upon said property to procure and carry full and unlimited insurance for the protection of the parties hereto for any injury to employees under the Workman's Compensation Insurance and Safety Act of the State of California, and amendments thereto, and to carry such insurance at his expense.

7. The Lessor shall not be liable, nor shall said property be

responsible for any work or labor performed, or materials supplied in or upon said property during the term of this lease.

8. The Lessor shall have the right to enter upon said property at all times and to post thereon notices that neither he, nor the said property, will be responsible or liable for any work or labor done or performed thereon at the direction of the Lessee, or for any materials furnished to be used by the Lessee in and about said property or any part thereof.

9. The Lessee shall enjoy during the term of this lease all water rights that appertain to said property and the right to construct and operate on said property such ditches, pipe lines, drains, canals, and flumes as may be necessary for the operation of said property as a mine, and said water rights shall not be impaired by any act or acts of the Lessor. For the purposes of this lease, the main spring situated on the adjacent property owned by Lessor and water flowing therefrom shall be considered water appurtenant to the property herein leased, subject to the right of Lessor to put the same to beneficial use.

10. The Lessee agrees to keep books of account showing the amount of quicksilver or other valuable deposits extracted from said property, the amount shipped, sold or treated, and the amount of money received from the sale of said quicksilver or other valuable deposits.

11. All machinery and equipment placed upon said premises by the Lessee shall remain the property of the Lessee and he may remove the same at any time prior to thirty (30) days after the termination of this lease for any cause.

12. In the event Lessee shall fail to perform all of the covenants [illegible] conditions on his part to be performed, or if default is made in the payment of any royalty payment when due, the Lessor may at his option after ten (10) days notice in writing to Lessee and his failure to cure said default, terminate this lease and eject Lessee.

THE is the essence of this agreement and of all the terms and conditions thereof and it shall be binding upon and run in favor of the benefit of their heirs, executors, administrators and assigns of the parties hereto.

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

_____

_____

LESSOR

_____

_____

LESSEE

(Enclosure 2)

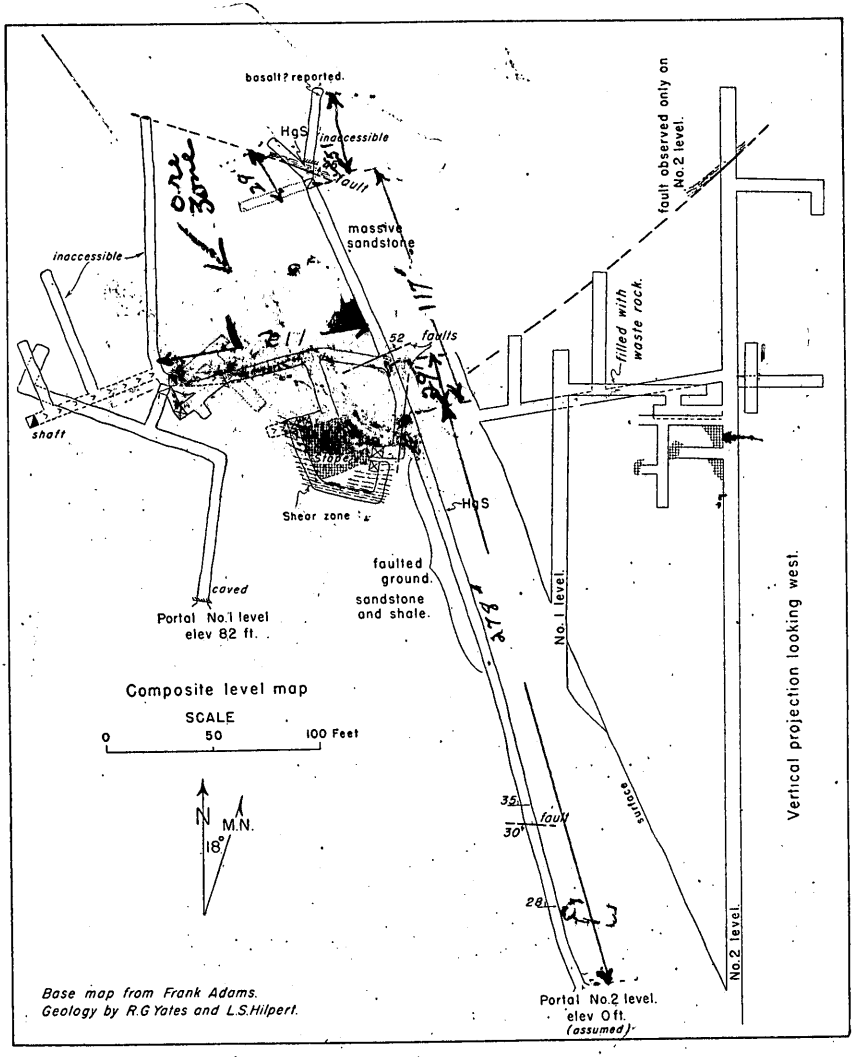


FIG. 4. Map and projection of Toyon mine, Napa County, California.

WORK ALREADY REHABILATED
PROPOSED EXPLORATION

Toyon Mine Company
Alvin M. Bentley
Box 130 Calistoga

and the minor faults parallel to the Accidental and Mercury. The best ore generally occurred along the central parts of the faults.

Because the mineralization follows the faults, they are locally known as "veins". In this description the term *vein* is restricted to the mineralized zone between, and in, the walls of the fault; and the term *vein area* includes both the material between and in the walls of the fault, and also the mineralized wall rock.

The vein system of the Oat Hill mine is shown in figure 3. For convenience, the veins are divided into two groups. The southwest group includes the Edna Mable, Escape, Eureka, Humboldt, Fanny, and Osceola, and associated minor veins. The northeast group includes the Manzanita, Mercury, Accidental, and associated veins.

It was in the northeast group that quicksilver was probably discovered at Oat Hill in 1872. At the time of Becker's [11] visit (between 1883-85) this part of the mine was still the principal producer. The Manzanita and Mercury veins were most productive, and the Accidental was spoken of as only a prospect. The Manzanita had already been bottomed on the 750 level (about 1,100 foot altitude) and the Mercury had been bottomed on the 400 mine level (1450 foot altitude). Somewhat later work in the northeast group developed ore bodies along two or more low-dipping veins that split from the footwall of the Mercury.[12] These are not shown on figure 3, because of the uncertainty of their position and extent. The workings from the No. 2 Manzanita adit that trend N. 40° W. probably follow another vein, or a split from the Manzanita vein, but the only information obtainable for this area is conflicting, and the amount of material stoped and attitude of the supposed vein are problematic. There is general agreement, however, that the area within the acute angle of this supposed vein with the Manzanita contained a large ore body.

First work done in the southwest group of veins was in the early eighties. Becker [13] speaks of the development of a minor deposit on the Eureka claim along a well defined fault nearly at right angles to the Mercury and Manzanita. This was undoubtedly the Osceola vein. Work in the southwest group continued without interruption until 1910, when the high-grade ore bodies of both the northeast and southwest groups had been exhausted, and the mine shut down. Later work, during the last World War, by Murray Innes, developed some small ore bodies along the Accidental and in some of the minor veins parallel to the Accidental and Mercury veins. In 1927 the H. W. Gould Company leased the property and continued operations to the present. In 1930 a 4- by 64-foot rotary furnace was installed, and since that time production has been maintained by mining admixed low-grade stope fill and caved wall rock from the Osceola vein and parts of the Humboldt near its intersection with the Osceola.

This material is being removed by top-slicing methods, which have proved to be more economical than the old square-set methods formerly employed on this property. Of special interest is the fact that in parts of the areas now being mined material is being reworked for the second time. For the period from August 1939 to March 1943, 83,250 tons of

[11] Becker, G. F., op. cit., pp. 356-358, 1888.
[12] Forstner, William, op. cit., fig. 29, p. 89, 1903.
Becker, G. F., op. cit., p. 358, 1888.
[13] Becker, G. F., op. cit., p. 358, 1888.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10-9	Chafma	400
10-9	Martin	400
10/10	Selfridge	120
"	Johnson	110
"	Patterson	100
10/10	B	220
		400

OCT 10 1957

Mr. Alvin M. Bentley
Toyon Mine Company
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA 4155 - Mercury
Toyon mine
Napa County, California
Contract No. Idm-E999

Dear Mr. Bentley:

As requested in your application for exploration assistance on the above-noted property, we are returning the copy of the lease that you submitted.

Sincerely yours,

W. S. MARTIN

W. S. Martin, Director
Division of Iron and Ferro-Alloys

Enclosure

8623

DMEA

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 4 1957

DATE		CODE
10/4	C	220
10/7	B	~~400~~ 425
10/7	WSM	400

October 2, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm=E 999

Enclosed are the Government's and Audit copies of the Rescission of subject Exploration Contract. The remaining copies have been distributed in the usual manner.

S. Ricker

S. Ricker

Attachments

OFFICIAL FILE COPY DMEA RECEIVED SEP 26 1957		
DATE	INITIALS	CODE
9/26	B	220
9/27	[illegible]	800
9/27	WSM	400

1605 Evans Avenue
Reno, Nevada

September 24, 1957

Mr. Alvin M. Bentley
Toyon Mine Company
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999

Dear Mr. Bentley:

The two signatures to Rescission of Exploration Project Contract as suggested in your letter of September 17, 1957 should be sufficient in order to conclude referenced subject. Your letter will serve as notice that Mr. Neller is no longer a partner.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957

DATE	INITIALS	CODE
9/9	B	220
9/9	[illegible]	800
9/10	[illegible]	460

1605 Evans Avenue
Reno, Nevada

September 4, 1957

Mr. Alvin M. Bentley
Toyon Mine
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999

Dear Mr. Bentley:

We are enclosing the original and four copies of a Rescission of Exploration Project Contract for the above-referenced contract, signed by the Administrator for the Government.

If the proposed rescission meets with your approval, all five copies should be signed by you and your partners. The copy marked "Operator's copy" should be retained by you and the original and other three copies should be returned to this office.

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

This rescission is proposed without any prejudice to the property.

S. Ricker

Attachments
SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C. (2)
Finance Office, Reg. II
GeoMavor
RMSmith
File Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10-9	Chafma	400
10-9	Martin	400
10/10	Selfridge	120
"	Johnson	110
"	Matterson	100
10/10	B	220
		400

OCT 10 1957

Mr. Alvin M. Bentley
Toyon Mine Company
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA 4155 - Mercury
Toyon mine
Napa County, California
Contract No. Idm-E999

Dear Mr. Bentley:

As requested in your application for exploration assistance on the above-noted property, we are returning the copy of the lease that you submitted.

Sincerely yours,

W. S. MARTIN

W. S. Martin, Director
Division of Iron and Ferro-Alloys

Enclosure

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-14	Chapman	400
8-14	Martin	400
		140

August 14, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Rescission of Exploration Project Contract
Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon mine
Napa County, California
Contract No. Idm-E999

Attached is a rough draft of a proposed Rescission of Exploration Project Contract for your use in preparing it in final form.

W. S. MARTIN

W. S. Martin, Director
Division of Iron and Ferro-Alloys

Attachment

TLChapman:foc
8-14-57

8623

Rescission OF EXPLORATION PROJECT CONTRACT

It is agreed this _____ day of _____, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Toyon Mine Company of Calistoga, California, parties to that certain Exploration Project Contract No. Idm-E999 (Docket No. DMEA 4155), dated August 24, 1956, hereinafter called the "Contract," that the Contract is hereby revoked, cancelled and rescinded as of August 24, 1956, before any work has been performed or any costs have been incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

TOYON MINE COMPANY

By_____

Title_____

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-21	Chapman	400
8-21	Martin	400
8-21	Chambers	800
8/23	[illegible]	130
"	Johnson	110
"	[illegible]	100
8/26	[illegible]	220
		400

AUG 26 1957

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

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon mine
Napa County, California
Contract No. Idm-E999

Dear Mr. Ricker:

Enclosed are the original and four copies of a Rescission of Exploration Project Contract for the above-referenced contract, signed by the Administrator for the Government.

If the conditions and terms of this proposed rescission are satisfactory to you and the Operator, all five copies should be signed by the Operator and the usual distribution made.

If any of the conditions and terms of the proposed rescission do not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

O. M. Bishop (OMB)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

TLCHAPMAN:foc 8-21-57
cc to: Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

P.S. Enclosed are two extra copies of the Rescission Agreement for the Field Team.

Enclosures

8623

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

August 8, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999
(Your letter, July 25, 1957)

Enclosed are the "Operator's Copy" of subject contract and two copies of a letter from the Operator dated August 3, 1957 covering his return of the contract.

A recission and termination is in order and recommended. Our recent discussion with Mr. Bentley has led us to believe that he would not have been competent to efficiently carry out the terms of the contract.

S. Ricker

Attachments

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1[illegible] 19[illegible]

DATE	INITIALS	COD.
8/13	G	220
8/13	WSM	400

Rt 1 Box 150
Calistoga, Calif.
August 5, 1957

S. Ricker, Executive Officer
DMEA Field Team, Region II
1005 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-[illegible]
Toyon Mine Company
Toyon Mine
Napa County, Calif.
Contract No. [illegible]

Dear Mr. Ricker:

Enclosed find our copy of the above referenced contract. We are very sorry that we were not able to start in time to take advantage of the contract.

Possibly at a later date we may be able to make another application when we are certain of being able to fulfill a contract with it.

We appreciate very much the consideration you have shown us. The contacts with the field engineer and geologist have been most pleasant.

Very truly yours,

Alvin M. Bentley
Partner, Toyon Mine.

Enclosure

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE	INITIALS	CODE

Operator's Copy

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE	INITIALS	CODE
	State	

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.* Idm-E	*County*	
4155	Mercury	999	Napa	California

It is agreed AUG 24 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Toyon Mine Company, a partnership consisting of Alvin M. Bentley, Charles K. Connolly and Elmer Neller

whose mailing address is Route #1, Box 150, Calistoga, California

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before November 15-1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within nine months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $16,120.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $12,090.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Royalty as set forth in the lease.

(b) 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: Consent to Lien of George R. Anderson and Audrey B. Anderson

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

TOYON MINE COMPANY
(Operator)

By Alvin M. Bentley (Partner)

By Charles K. Connolly (Partner)

By Elmer Miller (Partner)

By O. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. DMEA-4155

ANNEX I

The land referred to in Article 2 of this Contract consists of the W.½ SE.¼ and E.½ SW.¼ sec. 27, and the NW.¼ NE.¼ and NE.¼ NW.¼ sec. 34, T. 10 N., R. 6 W., M.D.B. & M., Napa County, California.

The Operator possesses control of this land by virtue of a lease, executed July 1, 1954, and running for five years, between George R. Anderson and Audrey B. Anderson, his wife, lessors, and Charles K. Connolly and Alvin M. Bentley, lessees and partners in the Toyon Mine Company.

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. IMRA-4155

EXHIBIT "A"

Attached hereto and made a part hereof are two maps entitled:

1. FIGURE 1 - LOCATION MAP, CALIFORNIA

2. FIGURE 2 - TOYON MINE, NAPA COUNTY, CALIFORNIA

Description of the Work

This exploration program consists of enlarging approximately 30 feet of the existing winze, sinking the winze an additional 20 feet, and 400 feet of crosscutting and drifting from the bottom of the winze. The work is divided into two successive stages. Stage I is designed to expose promising structures northeast and southeast of the winze 50 feet below the adit level; Stage II is designed to explore these targets for possible ore bodies.

The Operator shall perform Stage I and shall perform so much of Stage II as the Government approves in writing in advance.

All significant mineralized zones in the winze, crosscuts and drifts shall be sampled and the samples assayed for mercury. The Operator's Monthly Progress Report shall include a map or sketch showing the advance made, and the locations and assays of all samples taken, during the reporting period.

The winze, crosscuts and drifts shall be timbered as necessary. The winze, for its total depth, shall have minimum dimensions of 4 feet by 6½ feet in the clear of timber. The crosscuts and drifts shall have a minimum cross section of 5 feet by 7 feet in the clear of timber.

The items of exploration work to be performed are as follows:

Stage I

Item 1. Enlarge existing 30-foot winze to dimensions specified above.

Item 2. Sink existing winze 20 feet to a total depth of 50 feet below the adit level.

Item 3. Crosscut from the bottom of the winze not more than 170 feet on a bearing of about N 20° E to intersect the northwest-trending mineralized fault zone.

Item 4. Crosscut from the bottom of the winze not more than 40 feet on a bearing of about S 15° E to intersect the northwest-trending mineralized shear zone.

Stage II

Item 1. Drift from the new northeast crosscut not more than 90 feet to explore for orebodies along the northwest-trending fault.

Item 2. Drift from the new south crosscut not more than 100 feet on a bearing of about S 70° E along the northwest-trending shear zone.

Final Unit Costs

Stage I

Enlarging and retimbering winze, 30 feet	@ $20.00/ft.	$ 600.00
Sinking winze, 20 feet	@ $70.00/ft.	1,400.00
Crosscutting 210 feet	@ $28.00/ft.	5,880.00
Timbering crosscuts as necessary 210 feet	@ $7.00/ft.	1,470.00
20 Assays	@ $3.00 each	60.00
Total - Stage I		$9,410.00

Stage II

Drifting 190 feet	@ $28.00/ft.	$5,320.00
Timbering drifts as necessary, 190 feet	@ $7.00/ft.	1,330.00
20 Assays	@ $3.00 each	60.00
Total - Stage II		$6,710.00

SUMMARY

Estimated Total Cost of Stage I	$9,410.00
Estimated Total Cost of Stage II	6,710.00
Estimated Total Cost of Project	$16,120.00
Government Participation @ 75%	$12,090.00

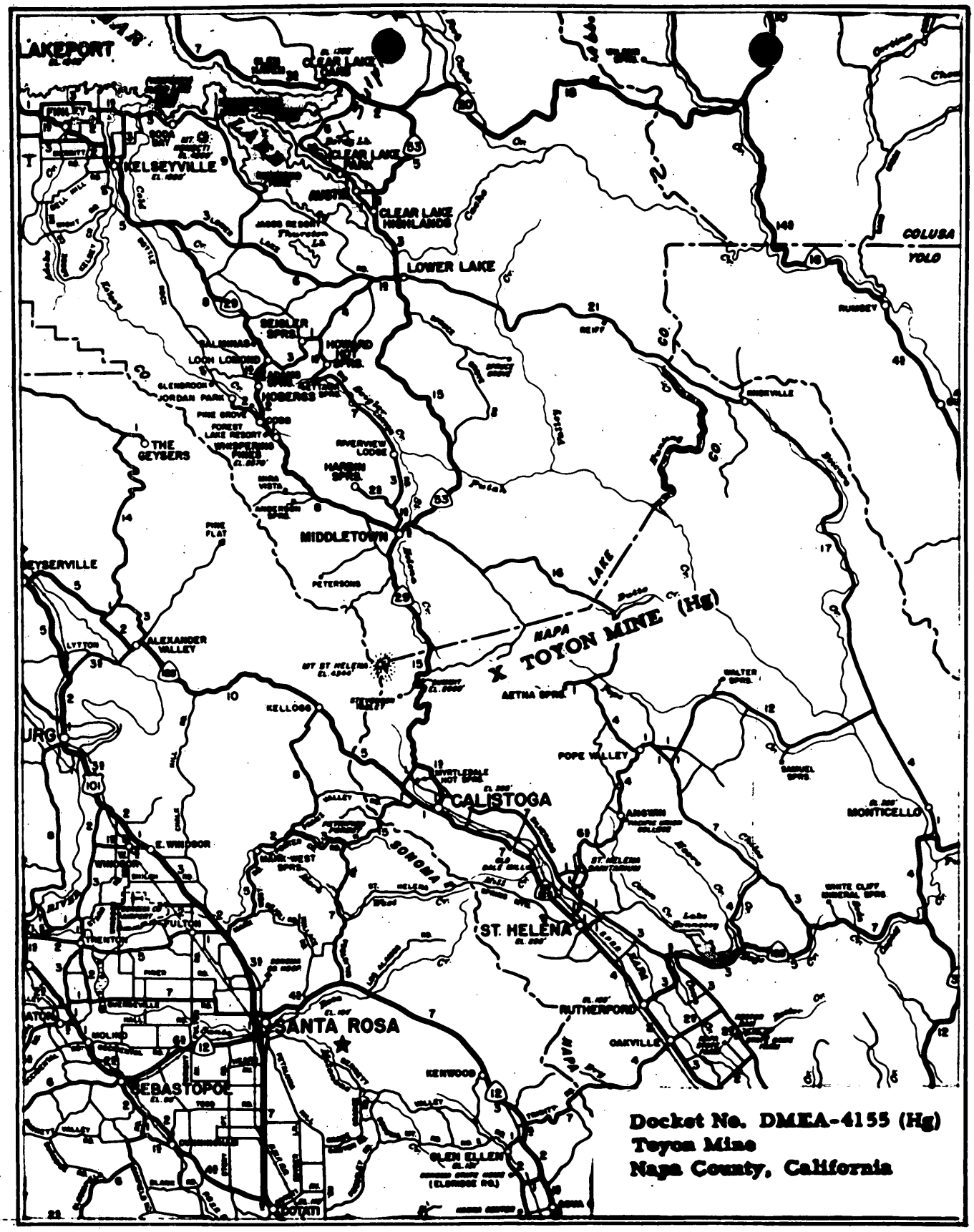


Figure 1 LOCATION MAP CALIFORNIA

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

RECEIVED AUG 12 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of [illegible] State of California, described as follows: 2/

[illegible] and [illegible] sec. [illegible] and the [illegible] and [illegible] sec. 34, T. 20 N., R. 6 W., M.D.B. & M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 4th day of September, 1956.

George R. Anderson [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

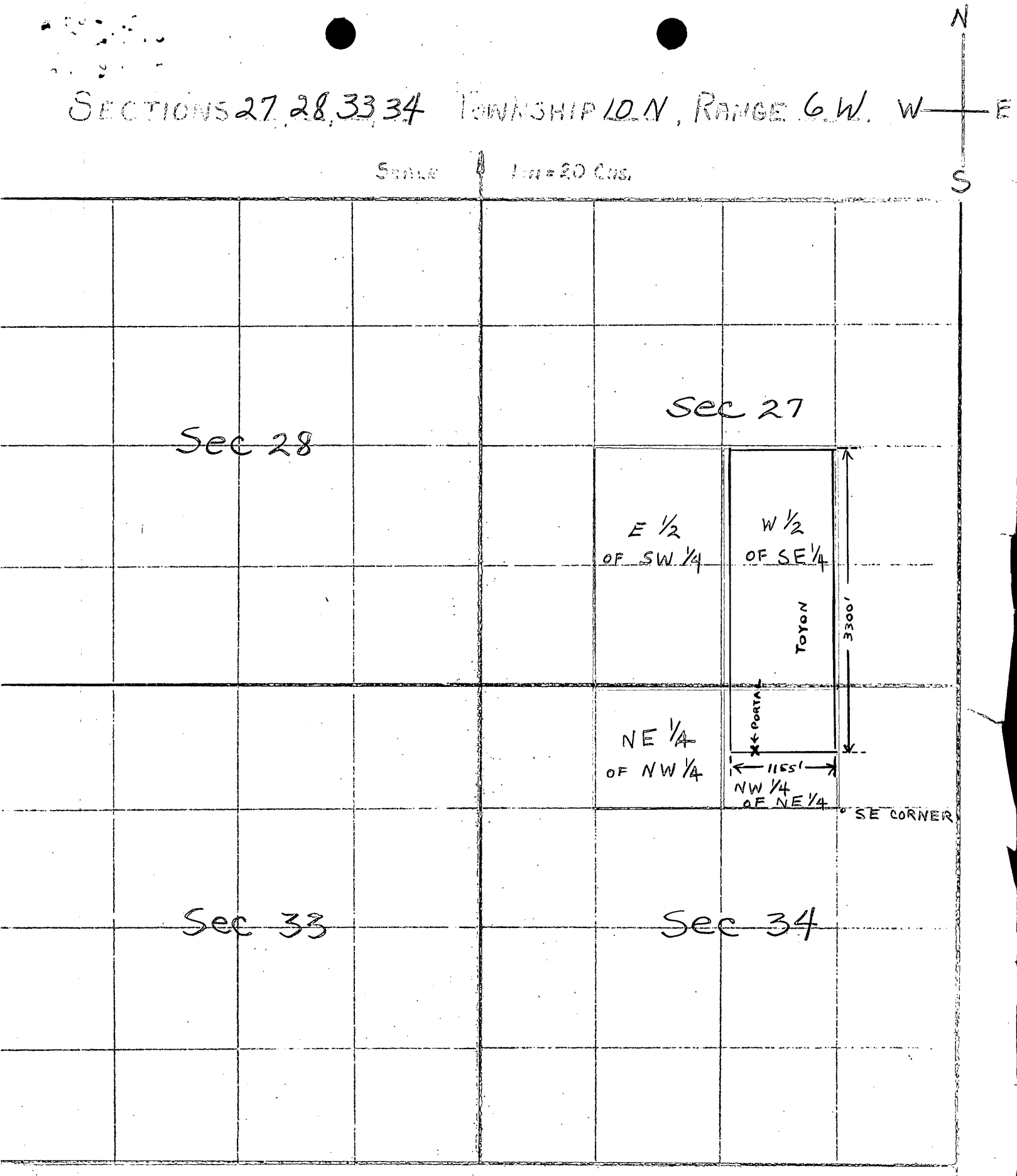
_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

SECTIONS 27, 28, 33, 34 TOWNSHIP 10 N, RANGE 6 W.



— ANDERSON ENTIRE PATENTED PROPERTY - IN RED

— TOYON MINE PROPERTY OUTLINED IN BLACK

Docket [illegible]-4155
Toyon Mine Co.
Toyon Mine
Lake County, Calif.

OFFICIAL FILE COPY DMEA RECEIVED AUG 1 1957		
DATE	INITIALS	CODE
8/1	C	220
8/1	[illegible]	800
8/1	WSM	400

1605 Evans Avenue
Reno, Nevada

July 30, 1957

Mr. Alvin M. Bentley
Toyon Mine
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999

Dear Mr. Bentley:

The referenced project is in default and it will be necessary for the Government to prepare a recision and termination of the contract. This action is taken without prejudice to the property.

Please return promptly your copy of the contract.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:ft
cc: Opr. Com., DMEA, Interior Bldg., Wash., D.C. w/copy of letter from A. Bentley (5/28/57)
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

JR 6/28/57

Rt.1 Box 150
Calistoga, California

May 28, 1957

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

Re: Docket #DMEA-4155 Mercury
Toyon Mine Company
Toyon Mine, Napa Co. Calif.
Contract #IDM-E999

Dear Mr. Ricker:

In reference to your letter of April 24th, I wish to state that Mr. Keller has released all interest he had in the partnership and its property. We have the signed papers to that effect. Mr. Connelly and I are free to go ahead.

However, the late rains and other unforseen difficulties in making preparations for starting work have delayed us in requesting a reinstatement of our contract.

We therefore ask your leniency in allowing us a little more time before starting. We hope then to be able to go ahead without interruptions.

Thank you for your consideration which we appreciate very much. Hoping we will soon be able to start work on the contract.

Very truly yours,

Alvin M. Bentley, Partner
Toyon Mine Co.

OFFICIAL FILE COPY
D M E A
RECEIVED AUG 1 1957

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-23	Chapman	400
7-23	Martin	400
7/24	Martin	130
"	Johnson	110
"	Mattendorf	100
		220
7-23	Chapman	800
7-25	P.K.	220
		400

JUL 25 1957

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

Re: Docket No. DMSA 4155 - Mercury
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-5999

Dear Mr. Ricker:

Your letter of June 3, 1957, to Mr. Alvin C. Bentley, Toyon Mine, refers to his letter to you of May 28, 1957, of which we have no copy, but which apparently must have requested information concerning starting work on the property.

The project is now in default and unless Mr. Heller's assignment is provided and a definite starting date is set, it will be necessary for us to write a recision and termination. If Mr. Bentley has not replied to your letter, please request that he return his signed copy of the Contract.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JHB)

APPROVED:

Horace T. Reno (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

TLChapman/dlm 7-23-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	ZWG	220
6/6	[illegible]	800
6/6	WSM	400

1605 Evans Avenue
Reno, Nevada

June 3, 1957

Mr. Alvin M. Bentley
Toton Mine
Route No. 1, Box 150
Calistoga, California

Re: Docket No. ~~DMEA-4155~~ (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999

Dear Mr. Bentley:

Reference is made to your letter dated May 28, 1957 concerning above-noted contract.

Five signed copies of Mr. Nellar's Assignment of his interest in the contract are required to preclude termination of the present contract. Also, please state a definite starting date for our consideration in approval of the period of recess.

Very truly yours,

/for/ S. Ricker
Executive Officer
DMEA Field Team, Region II

JDW:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

OFFICIAL FILE COPY
DMEA
RECEIVED APR 26 1957

DATE	INITIALS	CODE
4/26	C	220
4/26	[illegible]	800
4/30	[illegible]	400

1605 Evans Avenue
Reno, Nevada

April 24, 1957

Mr. Alvin M. Bentley
Toyon Mine
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999

Dear Mr. Bentley:

Reference is made to your letter of December 31, 1956 concerning above-noted contract.

If you and Mr. Connolly wish to proceed with the contract either Mr. Neller must make an assignment of his interest in the contract and the period of recess will have to be approved, or the present contract must be terminated and a new contract written.

Please let me have your intentions relative to the contract promptly.

Very truly yours,

S. RICKER

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Reg. II
GeoMavor
RMSmith
File

Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/15	Chapman	400
4/15	Martin	400
4/15	Selfridge	130
"	Johnson	110
"	Wattendorf	100
		220

APR 15 1957

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

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Ida-E999

Dear Mr. Ricker:

Reference is made to our letter of January 25, 1957, concerning the default of the above-noted contract, and possible arrangements which could be made to allow, as requested by Mr. Bentley in his letter of December 31, 1956, a recess until April 15, 1957.

This date has been reached and we have heard nothing further on the matter. If Bentley and Connolly desire to proceed with the contract either Mr. Neller must make an assignment of his interest in the contract and the period of recess will have to be approved, or the present contract must be terminated and a new contract written.

Please discuss the subject with Mr. Bentley and find out whether he desires to continue the project.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

APPROVED:

Frank D. Lamb (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

TLChapman:foc 4/15/57
cc to : Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

140

OFFICIAL FILE COPY

Date	Surname	Code
1/23/57	Indritz	140
	Dwyer	140
1/24	Martin	400
1/25	Selfridge	130
"	Johnson	110
"	Mittenthal	100

1-28 EW

220
225

JAN 25 1957

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

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E999

Dear Mr. Ricker:

We believe that your letter of January 16 to Mr. Alvin M. Bentley (Toyon Mine Company) errs in stating that because the Operator did not begin work under the contract by the date specified in the contract (November 15, 1956) "the contract is no longer valid." The Operator's failure to commence work by the required starting date means that the Operator is in default. But such default does not automatically make the contract "no longer valid." The Government may choose either to ignore that default, or to terminate the contract, because of such default, either by a termination notice or by a mutual termination agreement.

Mr. Bentley's letter of December 31, 1956, states that Mr. Neller has "withdrawn from the partnership." If the Government chooses to have the work continued under the present contract, Mr. Neller will remain personally liable as a signer of the contract. It is noted, also, that the land on which the exploration project is to be conducted is leased to only two of the three partners, namely, Messrs. Bentley and Connolly, and that Mr. Neller is not a party to that lease. If the Government chooses to terminate the present exploration contract, and to grant a later request by Messrs. Bentley and Connolly that a new contract be executed, the later contract would probably be executed solely by Messrs. Bentley and Connolly. Which course of action the Government should take would depend on the extent to which it is necessary to rely on Mr. Neller's responsibility for the financial and technical soundness of the proposed project. It is therefore requested that you advise us on this matter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

APPROVED:

Frank D. Lamb (SHB)
Member, Bureau of Mines

N. E. Nelson (SHB)
Member, Geological Survey

PIndritz/wog
January 23, 1957

Copy to: DMEA Docket
Admin'r's Read. File
Operating Com.
T.H.Killsgaard, USGS
J.W.Pennington, USBM
W.S.Martin (2)
R.P.Dwyer
P.Indritz
Pending
Chron.

8623

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

DMEA
OFFICIAL FILE COPY
DMEA
RECEIVED JAN 18 1957

DATE	INITIALS	CODE
1-18	C	220
		225

1605 Evans Avenue
Reno, Nevada

January 16, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm -E999

Enclosed are two copies of a letter dated December 31, 1956 from the operator relative to subject contract and two copies of my reply dated January 16, 1957.

I hope my reply meets with your approval. Otherwise, I would appreciate your suggestions.

S. Ricker

S. Ricker

Encls.

R 1 Box 150
Calistoga, Calif.
Dec, 31, 1956

S. Ricker, Executive Officer
and
John D. Warne, Engineer
DMEA Field Office
1605 Evans Ave.
Reno, Nevada

ANSWERED

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine
Napa County, Calif.

Gentlemen:

Several circumstances have delayed our getting started with our exploration contract.

Mr. Neller, working partner, has found it necessary to withdraw from the partnership due to family troubles. The company is now under the names of Connolly and Bentley only.

Since then, the miner who was going to help me became ill and is now in the hospital for an indefinite period- which leaves me alone again.

Therefore, I wonder if it would be possible for you to grant a recess of this project until about April 15th. By that time I hope to be in a position to continue.

Also, as a suggestion, would it be possible to start with a new winze instead of enlarging the old one? I am enclosing a sketch to explain the advantages both from your standpoint and mine.

Very truly yours,

Alvin M. Bentley
Toyon Mine Co.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 18 1957

DATE	INITIALS	CODE

ACTION ON INTERIM 4155
OR FINAL FIELD TEAM REPORT
Date 12-10

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Slow progress

2.

3.

4.

ake appropriate action.

- - - - - - - - -

taken by Division:

Robert E. Adams

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 18 1957

DATE	INITIALS	CODE

January 16, 1957

1605 Evans Avenue
Reno, Nevada

Mr. Alvin M. Bentley
Toyon Mine Company
Route No. 1, Box 150
Calistoga, California

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E999

Dear Mr. Bentley:

Reference is made to your letter of December 31, 1956 in which you request a recess and some changes in subject contract.

The starting date for work on contract November 15, 1956 has expired. As work has not been started, the contract is no longer valid. We will, however, favorably consider reopening the contract and appraise your proposed changes if within a reasonable time you request re-instatement of contract and are prepared to start operations.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Region II
Geo. Mavor
R. M. Smith
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date 12/5/56

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-4155

Contract No. Idm-E999

Commodity Mercury

Operator Toyon Mine Co.

Property Toyon Mine, Napa Co., Calif.

By John D. Warne

Dated 12/4/56

S. Richer
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

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

INTERIM REPORT

Docket No. DMEA-4155 (Mercury) December 4, 1956
Toyon Mine Company
Napa County, California
Contract No. Idm-E999

The Toyon mine project was inspected November 17, 1956. The Operator was engaged in repairing mine track preliminary to enlarging and deepening the winze from 30 to 50 feet under Stage I of the contract. Project work was begun November 15, 1956.

Mr. Alvin M. Bentley was present at the mine during the inspection. He stated that Elmer Neller, one of the partners, has left the Company, and that he was attempting to recruit additional experienced mine labor.

Progress on this project will probably be slow due to the present Operator's limited mining experience and to the poor access roads to the mine during winter months. It will be necessary to enlarge the hoisting station on the adit level and to install a hoist before winzing operations can be started.

John D. Warne
John D. Warne
Mining Engineer

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

RECEIVED
SEP 19 1956

1605 Evans Avenue
Reno, Nevada

September 17, 1956

Mr. Alvin M. Bentley
Toyon Mine Company
Route No. 1, Box 150
Calistoga, California

RE: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999

Dear Mr. Bentley:

We are enclosing the original and five copies of referenced contract, signed by the Administrator for the Government, together with Annex I (one page), Exhibit "A" (two pages), and Consent to Lien.

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

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

Please advise us at least one week before you intend to start work under the contract so that our engineer can visit the property and mutually agree with you on an exact starting point for future measurements. He will also advise you as to making out your progress and voucher reports, three months supply of which are enclosed.

Very truly yours,

S. Ricker, Executive Officer
DMEAField Team, Region II

Encl.

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Off., Reg. II
Geo. Mavor
RMSmith
File

RECEIVED
OCT - 3 1956

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

1605 Evans Avenue
Reno, Nevada

October 1, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California
Contract No. Idm-E 999
(Your letter, August 24, 1956)

Enclosed are the Government, Division, and Docket copies on subject contract which have been executed by the Operator. The remaining copies have been distributed in the usual manner.

S. Ricker

Encls.

DOCKET
SURNAME

400

McMahon
Martin
Chambers
Selfridge
Kipman

AUG 24 1956

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

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon Mine
Napa County, California

Dear Mr. Richer:

Enclosed are the original and five copies of a proposed contract for an exploration program at the above-referenced property, signed by the Administrator for the Government, together with Annex I (one page), Exhibit "A" (two pages), and two maps. Two extra copies of Exhibit "A" (and the annex and maps) are enclosed for the use of the Field Team.

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

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

Under Article 1, the starting date has been left blank and is to be filled in when the contract is signed by the operator.

With reference to our letter to you of August 14, 1956, copies of the new Contract to Lease should be attached to the copies of the contract before forwarding them to the applicant for signature.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

FRANK D. LAMB (GCS)
Member, Bureau of Mines

W. P. Williams (GCS)
Member, Geological Survey

Enclosures

cc to: Oper. Comm.
FT. REG. II
J. W. Pennington, USBM
T. H. Kilsgaard, USGS

ADMCMahon/fec 8/20/56
cc to: Docket
Code 400
Admr. Read. File

Docket

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

1605 Evans Avenue
Reno, Nevada

Aug. 20, 1956

Mr. Alvin M. Bentley
Toyon Mine Company
Route No. 1, Box 150
Calistoga, California

Copy retained 400

WSM

Re: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California

Dear Mr. Bentley:

We are returning the six completed Consent to Lien forms submitted by you. These forms are unacceptable to the Government because the owner, George R. Anderson, has limited the lien to June 1, 1961.

In order to expedite preparation of the proposed contract, if one should be approved, you should obtain the unqualified Owner's Consent to Lien, for which we enclose seven copies.

I would suggest that you explain to Mr. Anderson that: (1) ordinarily the royalty period is for 10 years from the date of the contract, or until the Government's contribution is repaid if it occurs before the 10 year period; (2) exploration work on the property is apt to be as beneficial to the owner as it is to the lessee; (3) the property will be free from the Government's claim for a percentage royalty and lien to secure its payment if a discovery or development does not result from the exploration work.

We also require copies of a map showing the relationship of the mine to the land boundaries.

Very truly yours,

S. Ricker, Executive Officer,
DMEA Field Team, Region II

Encl.

cc: Opr. Com., DMEA, Interior Bldg., Wash., D. C.

DOCKET
SURNAME
McMahon
Martin
Judrich
Selfridge
F.E. Johnson

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

400

AUG 14 1956

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

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon Mine
Napa County, California

Dear Mr. Ricker:

Enclosed are six completed Consent to Lien forms submitted by Alvin M. Bentley, partner, Toyon Mine Company.

This Consent to Lien is unacceptable to the Government, because the owner, George K. Anderson, has limited the lien to June 1, 1961. Apparently, Mr. Anderson did not understand your letter of June 28, 1956, regarding Item 2 in the Consent to Lien Form MF-203. If you agree, it may be well to explain to the applicant or to Mr. Anderson direct that: (1) ordinarily the royalty period is for 10 years from the date of the contract, or until the Government's contribution is repaid; (2) exploration work on the property is apt to be as beneficial to the owner as it is to the lessee and; (3) the property will be free from the Government's claim for a percentage royalty and lien to secure its payment if a discovery or development does not result from the exploration work.

To expedite preparation of the proposed contract, if one should be approved, we would appreciate your requesting the applicant to obtain an unqualified Owner's Consent to Lien for which we enclose 7 copies of the new Form MF-205.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

APPROVED:

FRANK D. LAMB (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

ADMcMahon/foc 8/13/56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

P.S. Please obtain copies of a map showing the relationship of the mine to the land boundaries.

R.C.S.

Enclosure

400

DOCKET
SURNAME
McMahon
Martin

August 3, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of contract
Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon Mine
Napa County, California

Transmitted herewith is a draft of a proposed contract for the captioned project for your use in preparing the contract in final form.

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

Attachment

ADMcMahon/foc
8/3/56
cc to: Docket
Code 400

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. DMEA 4155

ANNEX I

The land referred to in Article 2 of this contract consists of the W.½ SE.¼ and N.½ SW.¼ sec. 27, and the NW.¼ NE.¼ and NE.¼ NW.¼ sec. 34, T. 10 N., R. 6 W., M.D.B. & M., Napa County, California.

The Operator possesses control of this land by virtue of a lease, executed July 1, 1954, and running for five years, between George R. Anderson and Audrey B. Anderson, his wife, lessors, and Charles K. Connelly and Alvin M. Bentley, lessees and partners in the Toyon Mine Company.

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. IMEA 4155

EXHIBIT "A"

Attached hereto and made a part hereof are two maps entitled:

1. FIGURE I - LOCATION MAP, CALIFORNIA

2. FIGURE 2 - TOYON MINE, NAPA COUNTY, CALIFORNIA

Description of the Work

This exploration program consists of enlarging approximately 30 feet of the existing winze, sinking the winze an additional 20 feet, and 400 feet of crosscutting and drifting from the bottom of the winze. The work is divided into two successive stages. Stage I is designed to expose promising structures northeast and southeast of the winze 50 feet below the adit level; Stage II will explore these targets for possible ore bodies.

The Operator shall perform Stage I and shall perform so much of Stage II as the Government approves in writing in advance, based upon results of Stage I.

All significant mineralized zones in the winze, crosscuts and drifts shall be sampled and the samples assayed for mercury. The Operator's Monthly Progress Report shall include a map or sketch showing the advance and the locations and assays of all samples taken during the reporting period.

The winze, for its total depth shall have minimum dimensions of 4 feet by 6½ feet in the clear of timber. The crosscuts and drifts shall have a minimum cross-section of 5 feet by 7 feet in the clear and where timbered shall be 5 feet by 7 feet in the clear of timber.

The items of exploration work to be performed are as follows:

STAGE I

Item 1. Enlarge existing 30-feet winze from present dimensions of 4 feet by 4 feet in the clear of timber to 4 feet by 6½ feet.

Item 2. Sink existing winze 20 feet to a total depth of 50 feet below the adit level.

Item 3. Crosscut from the bottom of the winze not more than 170 feet on a bearing of about N 20° E to intersect the northwest-trending mineralized fault zone.

Item 4. Crosscut from the bottom of the winze not more than 40 feet on a bearing of about S 14° E to intersect the northwest-trending mineralized shear zone.

STAGE II

Item 1. Drift from the new northeast crosscut not more than 90 feet to explore for ore bodies along the northwest-trending fault.

Item 2. Drift from the new south crosscut not more than 100 feet on a bearing of about S70° E along the northwest-trending shear zone.

FIXED UNIT COSTS

STAGE I

Enlarging and retimbering winze 30 feet @ $20.00/ft.	$ 600.00
Sinking winze 20 feet @ $70.00/ft.	1,400.00
Crosscutting 210 feet @ $28.00/ft.	5,880.00
Timber crosscuts, as required 210 feet @ $7.00	1,470.00
20 assays @ $3.00 each	60.00
Total Stage I	$9,410.00

STAGE II

Drifting 190 feet @ $28.00/ft.	$5,320.00
Timbering drifts, as required, 190 feet @ $7.00/ft.	1,330.00
20 assays @ $3.00 each	60.00
Total Stage II	$6,710.00

SUMMARY

Estimated Total Cost of Stage I	$9,410.00
Estimated Total Cost of Stage II	$6,710.00
Estimated Total Cost of Project	$16,120.00
Government Participation @ 75 percent	$12,090.00

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
		Idm–E		
1155	Mercury		Napa	California

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and ....Yogon Mine Company, a partnership....

whose mailing address is ....Route #1, Box 150, Calistoga, California....

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within ....nine.... months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $....16,120.00..... The Government will contribute ..... percent of the fixed unit cost of the work performed, not exceeding $....12,090.00....., in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: ....None....

(b) 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: ....Consent to Lien....

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE : 1956—O-383069

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. DMSA 4155

ANNEX X

The land referred to in Article 2 of this contract consists of the W.½ SE.¼ and E.½ SW.¼ sec. 27, and the NW.¼ NE.¼ and NE.¼ NW.¼ sec. 34, T. 10 N., R. 6 W., M.D.B. & M., Napa County, California.

The Operator possesses control of this land by virtue of a lease, executed July 1, 1954, and running for five years, between George R. Anderson and Audrey B. Anderson, his wife, lessors, and Charles K. Connally and Alvin M. Bentley, lessees and partners in the Toyon Mine Company.

EXPLORATION PROJECT CONTRACT
TOYON MINE COMPANY
DOCKET NO. DMEA 4155

EXHIBIT "A"

Attached hereto and made a part hereof are two maps entitled:

1. FIGURE I - LOCATION MAP, CALIFORNIA

2. FIGURE 2 - TOYON MINE, NAPA COUNTY, CALIFORNIA

Description of the Work

This exploration program consists of enlarging approximately 30 feet of the existing winze, sinking the winze an additional 20 feet, and 400 feet of crosscutting and drifting from the bottom of the winze. The work is divided into two successive stages. Stage I is designed to expose promising structures northeast and southeast of the winze 50 feet below the adit level; Stage II will explore these targets for possible ore bodies.

The Operator shall perform Stage I and shall perform so much of Stage II as the Government approves in writing in advance, based upon results of Stage I.

All significant mineralized zones in the winze, crosscuts and drifts shall be sampled and the samples assayed for mercury. The Operator's Monthly Progress Report shall include a map or sketch showing the advance and the locations and assays of all samples taken during the reporting period.

The winze, for it's total depth shall have minimum dimensions of 4 feet by 6½ feet in the clear of timber. The crosscuts and drifts shall have a minimum cross-section of 5 feet by 7 feet in the clear and where timbered shall be 5 feet by 7 feet in the clear of timber.

The items of exploration work to be performed are as follows:

STAGE I

Item 1. Enlarge existing 30-foot winze from present dimensions of 4 feet by 4 feet in the clear of timber to 4 feet by 6½ feet.

Item 2. Sink existing winze 20 feet to a total depth of 50 feet below the adit level.

Item 3. Crosscut from the bottom of the winze not more than 170 feet on a bearing of about N 20° E to intersect the northwest-trending mineralized fault zone.

Item 4. Crosscut from the bottom of the winze not more than 40 feet on a bearing of about S 14° E to intersect the northwest-trending mineralized shear zone.

STAGE II

Item 1. Drift from the new northeast crosscut not more than 90 feet to explore for ore bodies along the northwest-trending fault.

Item 2. Drift from the new south crosscut not more than 100 feet on a bearing of about S70° E along the northwest-trending shear zone.

FIXED UNIT COSTS

STAGE I

Enlarging and retimbering winze 30 feet @ $20.00/ft.	$ 600.00
Sinking winze 20 feet @ $70.00/ft.	1,400.00
Crosscutting 210 feet @ $28.00/ft.	5,880.00
Timber crosscuts, as required 210 feet @ $7.00	1,470.00
20 assays @ $3.00 each	60.00
Total Stage I	$9,410.00

STAGE II

Drifting 190 feet @ $28.00/ft.	$5,320.00
Timbering drifts, as required, 190 feet @ $7.00/ft.	1,330.00
20 assays @ $3.00 each	60.00
Total Stage II	$6,710.00

SUMMARY

Estimated Total Cost of Stage I	$9,410.00
Estimated Total Cost of Stage II	$6,710.00
Estimated Total Cost of Project	$16,120.00
Government Participation @ 75 percent	$12,090.00

Docket

RECEIVED

AUG - 6 1956

R 1 Box 150
Calistoga, Calif.

C. O. Mittendorf, Administrator
Defense Minerals Exploration Adm.
U. S. Department of Interior
Washington 25, D. C.

RE- Docket No. DMEA 4155-Mercury
Toyon Mine
Napa County, California

Dear Sir:

WSM

Enclosed find six copies of Owner's Consent to Lein -in compliance with the requirements for our application for an exploration loan. Hoping this is satisfactory,

Yours very truly,

Alvin M. Bentley

Alvin M. Bentley, Partner
Toyon Mine Company

Enclosures
ab

Docket

RECEIVED
AUG - 1 1956

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

August 1, 1956

WSM

Copy retained ACG

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team report, Docket No. DMEA 4155 (mercury), Toyon Mine Co., Toyon Mine, Napa County, California, Application estimate $14,739.50, Field Team recommended estimate of $16,120.00

The Field Team recommended a two-stage exploration program consisting of (1) deepening the 30-foot vertical winze below the adit level an additional 20 feet and crosscutting a total of 210 feet in two directions from the bottom of the winze to intercept favorable mineralized zones; and (2) 190 feet of drifting (or raising) to explore further these zones. The Field Team recommended that Stage II be undertaken only upon favorable showings from Stage I.

I concur with the recommendations of the Field Team based in part on the indicated and inferred reserves, but more on the fact that the mineralized structures in the Toyon mine are similar to those in the adjoining Oat Hill mine, and because chances for discovering additional ore bodies thus are listed as "fair".

Helena M. Meyer

Helena M. Meyer

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

Docket

IN REPLY REFER TO:

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

RECEIVED
JUL 25 1956

July 24, 1956.

Re: DMEA 4155
Toyon Mine Company
Toyon Mine
Napa County, California
Appl. Est. $14,739.50
Recommended Est. $16,120.00
Mercury

WSM

Copy retained 400

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in the further exploration of two fault zones, credited with the production of 100 flasks of mercury.

The examiners and Field Team recommend a 2-stage work program consisting of winze deepening, drifting, raising, and crosscutting.

A stope in the main shear zone is about 35 feet long and 40 feet high. On the showing there and in the shear (fault) zones where crosscut in the adit, the examiners infer a few thousand tons of ore containing a few hundred flasks of mercury. No grade is assigned the inferred ore. For the indicated ore, estimated at 300 tons in 2 cross fractures, a grade of 0.3% Hg is assumed.

In view of the work already done and the production record, the inferences concerning reserves appear optimistic and the estimates liberal.

On the assumption the ore occurrence is similar to that at the Oat Hill mine, I concur with the recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

Docket

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

RECEIVED
JUL 18 1956

1605 Evans Avenue
Reno, Nevada

July 16, 1956

WSM

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4155 (Mercury)
Toyon Mine Company
Toyon Mine
Napa County, California

Reference is made to your letter of March 28, 1956 relative to above subject docket.

Attached are four copies of a report by D. B. Tatlock, Geological Survey and J. D. Warne, Bureau of Mines, in which an exploration loan of $16,120.00 to the applicants is recommended.

Roscoe Smith and I concur in the recommendation.

S. Ricker

Attach.

ON-SITE EXAM.

Reviewed by
DMEA OPERATING COMMITTEE
7/23/56
(date)

RECEIVED
JUL 18 1956

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA 4155 (mercury)
Toyon Mine Company
Toyon mine
Napa County, California

by

J. D. Warne
U. S. Bureau of Mines

D. B. Tatlock
U. S. Geological Survey

July 16, 1956

DMEA ORGANIZATION COMMITTEE
7/23/56
(date)

RECEIVED
JUL 18 1956

CONTENTS

	Page
Introduction	1
Conclusions and Recommendations	1
Location, Accessibility, and Local Resources	2
History and Production	3
Property and Ownership	4
Development	4
General Geology	5
Ore Deposits	7
Sampling	9
Ore Reserves	9
Proposed Exploration	10
Exploration Costs	11

ILLUSTRATIONS

Figure 1 . . . . . Location map

2 . . . . . Toyon mine

RECEIVED
JUL 18 1956

INTRODUCTION

The Toyon Mine Company (Alvin M. Bentley, Charles K. Connolly, and Elmer Neller, partners), Route I, Box 150, Calistoga, California, applied for Government assistance under the Defense Minerals Exploration Administration, docket DMEA-4155, to explore for quicksilver at the Toyon mine, Napa County, California. The applicant wishes to explore the property to determine if ore bodies exist below the rehabilitated adit level along each of two fault zones.

A field examination was requested by the Operating Committee and was made by D. B. Tatlock, U. S. Geological Survey, on April 4, 1956, accompanied by Alvin M. Bentley; and by J. D. Warne, U. S. Bureau of Mines, and Tatlock, on May 30, 1956, accompanied by Bentley and Elmer Neller.

The examiners mapped the rehabilitated workings and took samples across two mineralized fractures.

CONCLUSIONS AND RECOMMENDATIONS

Cinnabar is disseminated in gouge and in altered graywacke along fractures in highly contorted and faulted graywacke and shale. The past production from the Toyon of

about 100 flasks of quicksilver and a large production from the adjoining Oat Hill mine in which the mineralized structures are similar indicate that the chance of discovering additional ore bodies is fair. Inferred reserves in the area to be explored are a few thousand tons containing a few hundred flasks of quicksilver.

A two-stage exploration program is recommended consisting of (I) deepening the 30-foot vertical winze below the adit level an additional 20 feet, and crosscutting a total of 210 feet in two directions from the bottom of the winze to intercept favorable mineralized zones; and (2) 190 feet of drifting (or raising) to further explore these zones. Stage II should be undertaken only if sufficiently mineralized formations are found by work under Stage I. The estimated total cost of the program is $16,120.00, of which the Government's share would be $12,090.00.

LOCATION, ACCESSIBILITY, AND LOCAL RESOURCES

The Toyon mine is in sec. 34, T. 10 N., R. 6 W., M.D.B.&M., within the Eastern Mayacmas mining district, in Napa County, California (fig. 1). It is reached by a fairly

steep and poorly maintained mountain road which leads westerly a distance of 3.7 miles from Aetna Springs, California. The mine is inaccessible by automobile during wet seasons.

Experienced mine labor is not available in the area. Water can be obtained from springs which flow from several points on the hillside near the mine or from James Creek, several thousand feet distant. Timber and mine supplies can be secured from local sources or from the San Francisco area. Electric power could be supplied to the mine by installing about one mile of transmission facilities.

Two of the applicants have had limited mining experience; however, Mr. Elmer Neller claims to have worked in mines for about 30 years. It is believed that they are capable of completing the proposed exploration program.

HISTORY AND PRODUCTION

The Toyon mine (formerly considered a part of the Granada mine, or called the Switzer mine) was opened in 1929. An intermittent and erratic production of about 100 flasks of quicksilver was made during the period 1933 - 1941. The original

owner and operator of the mine was Frank Adams of Oakdale, California. The present leasers (applicants) have produced two flasks in 1955 and 1956 in connection with rehabilitation work.

PROPERTY AND OWNERSHIP

The Toyon mine property consists of about 240 acres of land held in fee simple by George R. Anderson and Audrey B. Anderson of Middletown, Lake County, California. This land is described as follows: W 1/2 of SE 1/4, and E 1/2 of SW 1/4 of sec. 27; and NW 1/4 of NE 1/4, and NE 1/4 of NW 1/4 of sec. 34; T. 10 N., R. 6 W., M.D.B.&M., Napa County, California. Mr. Alvin Bentley and Charles Connolly (two of the applicants) hold the property under a lease from the owner. About three years remains until this lease expires; and the applicants are now attempting to secure an additional five-year lease from the owner.

DEVELOPMENT

Some of the original Toyon mine workings are now inaccessible. They consisted of an inclined shaft, two main levels, and several sublevels. The only workings which are now open are shown in figure 2. A crosscut-adit at 1,356 feet altitude furnishes access

to the stoped area of the mine. A 30-foot vertical winze about 4 feet by 4 feet in the clear of timber located about 385 feet from the adit portal was in progress at the time of examination. Future exploration and development work is planned from the 50-foot level of this winze. The Toyon mine is about 1200 feet northwest of the Granada mine (DMEA-3698, Idm-E829), which was formerly operated in conjunction with the Toyon property.

Major operating equipment and facilities at the Toyon mine, owned by the applicants, is as follows:

1 Garnder-Denver compressor, 160 cfm.

1 Ingersoll-Rand jackhammer, JA-55.

3 Mine cars

1 Byron-Jackson sponge pump, 150 gpm.

1 Caterpillar bulldozer, Model L-20.

1 Rotary retort furnace, 2 ft. by 8 ft., capacity 1 ton of ore per day.

1 Tool shed, 8 ft. by 12 ft.

GENERAL GEOLOGY

The Toyon mine is at the eastern end of the Mayacmas quicksilver district in an area underlain by highly folded and faulted graywacke, shale, and mudstone of probable Early Cretaceous age. A northwest-trending body of serpentine crops

out along a ridge about 2,500 feet east of the mine; locally the serpentine has been altered to silica-carbonate rock. Andesite flows, pyroclastics, and minor intrusives of Tertiary age crop out in the surrounding region and may have, at one time, covered the mine area. A quartz-bearing basalt dike of Quaternary age striking north-northeast crops out about 1,500 feet north of and 3,000 feet south of the mine but was not seen in the immediate mine area.

Complexely folded and faulted black shale and mudstone and hydrothermally altered medium-grained graywacke are the only rocks seen underground. The altered rock is relatively soft, and white to light gray in color except where stained by iron oxides.

Faulting is common and occurs chiefly in shale and mudstone at graywacke contacts. Gouge along faults ranges from about an inch to as much as 2 feet in thickness. Shear zones range from a few inches to as much as 25 feet in thickness. The stronger faults strike northwesterly and in general dip steeply northeast. None of the faults can be traced on the surface owing to a cover of debris flows and slides.

RECEIVED
JUL 18 1956

ORE DEPOSITS

Cinnabar, the only ore mineral seen, is disseminated in gouge along fracture zones, and in hydrothermally altered graywacke. Gangue minerals are calcite, quartz, and pyrite. Cinnabar is visible with a hand lens in almost all of the altered graywacke but probably does not average more than 1 lb. Hg/ton except within 1 to 3 feet of mineralized fractures.

According to R. G. Yates of the U. S. Geological Survey[1], who mapped the underground workings in 1943 (fig. 2), the main ore body was in a northwest-trending zone of sheared and faulted mudstone and graywacke and plunged steeply to the east. It extended about 30 feet along the strike and was about 25 feet wide. It was stoped only above the adit level (fig. 2); hence nothing is known of its downward continuation. An eastward extension of the shear zone in which the ore body lay is about 25 feet wide where exposed in the adit and contains traces of cinnabar and pyrite along the margins of 1/8 inch calcite veinlets parallel

---

[1] Yates, R. G., and Hilpert, L. S., 1946, Quicksilver deposits of Eastern Mayacmas District, Lake and Napa Counties, California; Calif. Jour. of Mines and Geol., Report XLII, pp. 231-286.

with the shear zone. Another, unexplored, ore body is reported by Yates to lie along the hanging-wall fault which strikes N 70° W and dips 45° north and lies about 120 feet north of the main shear zone.

Cinnabar also occurs along two north-trending, nearly vertical cross-fractures about 20 feet east of the old stope (fig. 2), in gouge zones from 1 to 3 inches wide and is disseminated in graywacke for as much as 1 foot on either side of the fractures. These fractures intersect about 40 feet northeast of the old stope in the caved workings; a prospect raise was driven on the intersection about 40 feet. A similar vertical cross-fracture exposed in the winze west of the stope contains cinnabar, both in a gouge zone from 2 to 10 inches wide and in the adjacent graywacke.

The Oat Hill mine, about 3,000 feet west of the Toyon, has produced more than 160,000 flasks from the same geologic setting. DMEA exploration at the Granada mine, about 1,000 feet east of the Toyon, has not discovered ore, although exploration is still in progress.

SAMPLING

Two samples taken from underground workings areshown in figure 2.

Sample No.	Lbs. Hg/T.	Description
W-1	18.1	1.6 ft. chip sample across cinnabar mineralized fracture.
W-2	0.8	1.0 ft. chip sample across cinnabar mineralized fracture.

ORE RESERVES

No ore has been blocked out. Indicated reserves totaling about 300 tons averaging about 6 lbs. Hg/ton are along the two cross-fractures east of the stope in two blocks each measuring about 20 feet along the strike, 20 feet along the dip, and 2 feet thick; and along the cross-fracture exposed in the winze in a third block 20 feet along the strike, 20 feet along the dip, and 3 feet thick.

Reserves of a few thousand tons containing a few hundred flasks of quicksilver are inferred along the main shear zone below the adit and the old stope, and along the hanging-wall fault both above and below the adit level.

RECEIVED
JUL 18 1956

PROPOSED EXPLORATION

The applicant's proposal to explore the downward continuation of the ore body along the northwest-trending fault at the north end of the caved workings and the downward continuation of the ore body beneath the caved stope is logical. The work would consist of 400 feet of crosscutting and drifting from the bottom of a 50-foot winze below the rehabilitated adit level 60 feet northwest of the caved stope at a total cost of $16,120.00.

About six months actual operating time would be required to complete the work; however, a period of nine months should be allowed in case of inclement weather, scarcity of labor, and other possible delays in this area. Some preliminary work enlarging the initial 30 feet of winze to accommodate a ladderway will be necessary to comply with California mine safety orders.

complete winze to be 4'x6½' in clear.

<u>Stage I</u> - 20 feet of winze and 210 feet of crosscutting.

Item 1. Sink winze 20 feet vertically from bottom of existing 30-foot winze to total depth of 50 feet below adit level.

Item 2. Crosscut from bottom of winze on a bearing of N 20° E for a distance of 170 feet to intersect northwest-trending mineralized fault zone.

Item 3. Crosscut from bottom of winze on a bearing of about S 14° E along mineralized gouge zone for a distance of 40 feet to intersect northwest-trending mineralized shear zone.

Stage II - 190 feet of drifting and/or raising.

Item 4. Drift from northeast crosscut to explore for ore bodies along northwest-trending fault for a distance of 90 feet.

Item 5. Drift from south crosscut along northwest-trending shear zone on a bearing of about S 70° E for a distance of 100 feet.

Stage II should be undertaken only with the prior approval of the Government. For flexibility in exploring the mineralized zones, work in this stage should include drifting or raising (at the same unit cost per foot).

EXPLORATION COSTS

Winzing:

Deepen vertical winze from 30 to 50 feet. The completed winze to have minimum dimensions of 4 feet by 6-1/2 feet in the clear of timber, to accommodate a ladder, air, water, and ventilation facilities in compliance with California mine safety orders -- 20 feet of timbered winze, including preparation of hoist station, and installing hoist.

Labor and Supervision:

Mine labor, 4 men 80 man shifts @ $16.00		$1,280.00 640.00
Operating materials and supplies -- to be purchased:		
2M ft. BM timber @ $100/M	$200.00	
50 ft. of 2" airline @ $0.45/ft.	22.50	
50 ft. of 1" water line @ $0.15/ft.	7.50	
50 ft. of 8" vent line @ $1.00/ft.	50.00	
Valves and fittings	15.00	
Explosives @ $4.00/ft.	80.00	
Msc. hand tools and supplies	55.00	
Sales tax, etc.	15.00	
		$445.00
Operating equipment, valued at $9,000.00, to be supplied by operator on rental basis @ $150.00/mo. (allow 1 mo.)		$150.00
Miscellaneous		
Payroll taxes, ins., etc.		$125.00
Total cost, 20 ft. of winzing:		$2,000.00
Cost per foot:		$100.00

Crosscutting and drifting:

210 feet of crosscutting and 190 feet of drifting (or raising) - 400 feet @ 3.2 feet per shift, 125 shifts, or 5 months.

Labor and supervision

Mine labor, 4 men, 5 months, 400 man shifts @ $16.00	$6,400.00	
Supervision and accounting	750.00	
		$7,150.00

Operating materials and supplies--to be purchased.

1.6 tons of 12 lb. rail @ $186/T.	$ 297.60	
200 ties @ $0.36/ea.	72.00	
Bolts, splicers, etc.	52.40	
400 ft. of 2" air pipe @ $0.45/ft.	180.00	
400 ft. of 1" water line @ $0.20/ft.	80.00	
Valves and fittings	60.00	
Gasoline fuel @ $4.00/day	500.00	
Oil and grease	75.00	
3200 lbs. dynamite @ $20.60/cwt.	659.20	
9000 ft. fuse @ $11.60/M	104.40	
1500 No. 6 blasting caps	37.50	

2 4 by 8 ft. steel slick sheets @ $40.00/ea.	$ 80.00	
Msc. hand tools, etc.	100.00	
Sales tax, etc.	70.00	
		$2,368.10
Operating equipment - to be supplied by operator on rental basis @ $150.00/mo. (allow 6 mos.)		900.00
Miscellaneous		
Transportation and hauling @ $100.00/mo.	$ 600.00	
Payroll taxes, ins., etc.	80.00	
Sample analyses, 40 samples for Hg @ $3.00/ea.	120.00	
		800.00
Total cost of crosscutting and drifting:		$11,218.10
Cost per foot (use $28.00/ft.)		$ 28.05
Timbering, as required - 400 ft. @ $7.00/ft.		$ 2,800.00

Summary

Stage I

1.	20 ft. of winzing @ $100/ft.	$2,000.00
2.	170 ft. of crosscutting from bottom of winze in a N 20° E direction @ $28/ft.	4,760.00
3.	40 ft. of crosscutting from bottom of winze in a S14° E direction @ $28/ft.	1,120.00
4.	210 ft. of timbering crosscuts, as required @ $7/ft.	1,470.00

5.	20 samples (analyses) @ $3/ea.	$ 60.00	
Total Stage I:			$9,410.00

Stage II

1.	90 ft. of drifting from northeast crosscut @ $28/ft.	$2,520.00	
2.	100 ft. of drifting from south crosscut @ $28/ft.	2,800.00	
3.	190 ft. of timbering drifts, as required, @ $7/ft.	1,330.00	
4.	20 samples (analyses) @ $3/ea.	60.00	
Estimated total cost of Stage II:			$6,710.00
Estimated total cost of project:			$16,120.00
Government participation @ 75 percent:			$12,090.00

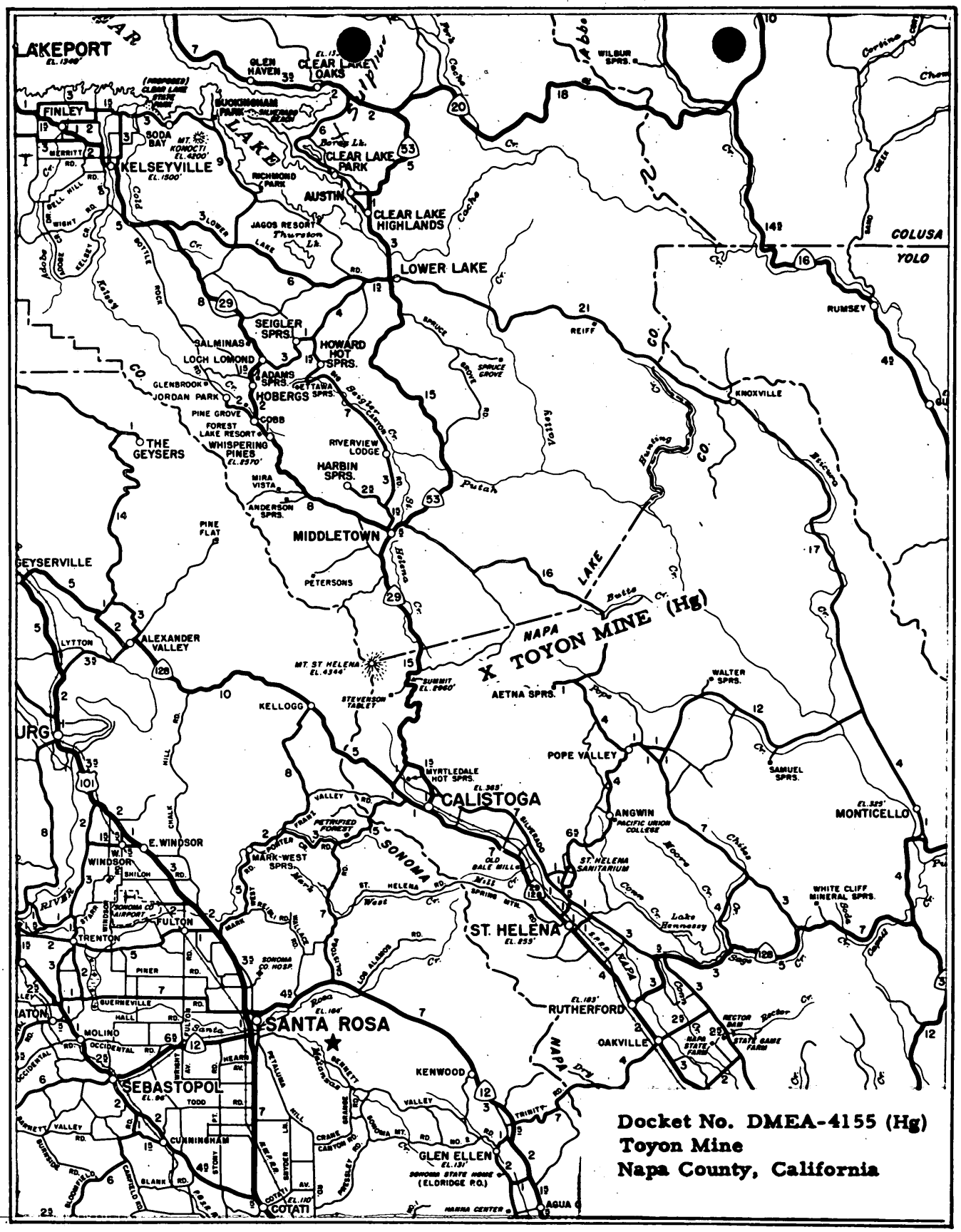


Figure 1 LOCATION MAP CALIFORNIA

Docket

RECEIVED
JUL 2 - 1956

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

1605 Evans Avenue
Reno, Nevada

June 28, 1956

Mr. George R. Anderson
P. O. Box 406
Middletown, California

Re: Docket No. DMEA-4155 (Mercury)
Tyon Mine
Napa County, California

Dear Mr. Anderson:

I cannot add anything pertinent to the interpretation of Item 2 in the Consent to Lien form MF-203 referred to in your letter of June 25, 1956. The Government has a lien upon the land covered in the contract in order to secure the payment of royalties on any production of minerals therefrom during the terms of the contract with the applicant or from any subsequent Operator until loan has been repaid. These points are all explained in the enclosed booklet "The Defense Minerals Exploration Program".

A copy of the lease must be presented by the applicant before the Government will negotiate a contract. The mere fact that the applicant has a lease on the property does not guarantee that he will get a loan. Very few, if any applicants, have had any difficulty in securing Consent to Lien forms from the owner of the property involved.

Very truly yours,

S. Ricker
Executive Officer
DM EA Field Team, Region II

Encl.

SRicker:gh
cc: Opr. Com., DMEA, Wash., D.C.
R. M. Smith
File

400

DOCKET
Surname:
McMahon
Martin

JUN 15 1956

Mr. Alvin M. Bentley
Toyon Mine Company
Route # 1, Box 150
Calistoga, California

Re: Docket No. DMEA-4155, Mercury
Toyon Mine
Napa County, California

Dear Mr. Bentley:

This will acknowledge receipt of your letter of June 4, 1956, requesting Consent to Lien forms. We do not ordinarily require execution of these forms unless a recommendation for a contract has been received and we are ready to prepare a contract. However, to avoid any possible loss of time should favorable action be taken on your application, the required number (7 copies) of forms are enclosed. The original and five executed copies are to be returned to this office and one copy is for the owner of the property.

Your letter inquires as to the normal time required to process an application. The time depends, among other factors, on the completeness of the original application. As you know, it was necessary to request additional information before we could refer your property to the Field Team for an examination and report. A careful study of such reports is made by the staffs of the Bureau of Mines, Geological Survey, and the Defense Minerals Exploration Administration here in Washington. If a contract should be recommended and written, it would have to be thoroughly reviewed and checked, but please be assured that such processing would then have our prompt attention.

Sincerely yours,

W. S. Martin

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

cc: Docket
Code 400
Adm. Read. File
T. Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Region 2

ADMcMahon/ls
6/15/56

R.G.B.

Rt.1 Box 150
Calistoga,California
June 4,1956

C.O.Mittendorf,Administrator
Defense Minerals Exploration Adm.
U.S.Dept. of Interior
Washington 25,D.C.

Re:Docket No.DMEA 4155-Mercury
Toyon Mine
Napa County, California

Dear Sir:

Your letter of May 21,1956, advising us that the examination of our property had been made and that a report was being prepared, also referred us to Mr.Spangler Ricker, of the Reno,Nevada office for further information.

Shortly after receipt of your letter and before we had time to contact Mr.Ricker,the Field Team from Reno arrived on May 30th, (Memorial Day) about 5:00pm to make examination of the property.

The reason I am writing to you again is that the Engineer inquired if we had received a form for the Owner's Consent to Lien. Since the owner has assured us that he is willing to sign such a statement, we would appreciate your sending this form so there will be no delay on that account.

We were also advised that we should not expect to hear further regarding this application for approximately another three months. May we ask if this is normal proceedure? That date would be eight months from date of our application,which time lost is costly both to the Government and ourselves.

We have appreciated your prompt attention to our previous communications and wish to thank you for your consideration.

Respectfully yours,
Alvin M. Bentley

Alvin M. Bentley
Toyon Mine Co.
Rt.1Box 150
Calistoga,Calif.

DOCKET

400

SURNAME

McMahon
Martin
Selfridge

MAY 21 1956

Mr. Alvin M. Bentley
Toyon Mine Company
R. #1 - Box 150
Calistoga, California

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine
Napa County, California

Dear Mr. Bentley:

This will acknowledge receipt of your letter of May 14, 1956, advising us that a geologist from our Field Team, Region II, has examined your subject property, and inquiring when you can expect an engineer to visit your mine.

Our information is that the examination has been made and the report is being prepared, but for the most recent information you should apply directly to Mr. Spangler Richer, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada.

Sincerely yours,

Administrator

ADMcMahon/fec
5/18/56
cc to: Docket
Code 400
Admr. Read. File
FT. REG. II
J. W. Pennington, USBM
T. H. Killingsord, USGS

Docket

Rt. #1-Box 150
Calistoga, California
May 14, 1956

C. O. Mittendorf, Administrator
Defense Minerals Exploration Adm.
U. S. Dept. of Interior
Washington 25, D. C.

RECEIVED
MAY 16 1956

WSM

Re: Docket No. DMEA 4155-Mercury
Toyon Mine
Napa County, California

Dear Sir:

Your letter of March 28th., 1956, stated that DMEA Field Team from Reno, Nevada would make examination of our property in connection with our application for a loan.

The geologist visited the mine on April 2nd., and again on April 11th., at which time he said that the engineer would be there within the coming week. To date, the engineer has not arrived nor have we had any word from the Department. Since nearly five weeks have elapsed we have reason to wonder at the cause of the delay.

Please advise how soon we may expect him, so that we may qualify for our loan.

Respectfully yours,

Alvin M. Bentley

Alvin M. Bentley, Partner
Toyon Mine Company
Rt. #1-Box 150
Calistoga, California.

Copy retained 400

AMB:ml

DOCKET
SURNAME
McMahon
Martin
Selfridge
Johnson

400

MAR 28 1956

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

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine Company
Toyon Mine
Napa County, California

Dear Mr. Richer:

The above-docketed application for exploration assistance is being referred to your office for a field examination of the property.

Copies of memoranda dated February 8, 1956, by J. W. Pennington, Bureau of Mines, and N. E. Nelson, Geological Survey, relating to the project are enclosed for your information. Also enclosed are two copies of a letter, dated March 23, 1956, received from the Toyon Mine Company, furnishing additional information as requested in the Administrator's letter of February 20, 1956.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Enclosure

APPROVED:

/s/ Robert W. Geehan (JB)
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey (JB)

SPHOLT/fec 3/28/56
cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT. REG. II
Messrs. Pennington, USBM
Nelson, USGS

P.C.R.

DOCKET
SURNAME
McMahon
Martin
Geehan
Selfridge
Nelson
Johnson

400

MAR 28 1956

Toyon Mine Company
Route 1, Box 150
Calistoga, California

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine
Napa County, California

Gentlemen:

The above-docketed application for exploration assistance for mercury ore and the additional information furnished in your letter of March 23, 1956, have been reviewed by the engineering staff of Defense Minerals Exploration Administration and referred to Mr. Spangler Richer, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada, for a field examination of the property.

Any assistance that you can give the members of the Field Team will be appreciated.

Sincerely yours,

(for)

Administrator

AEMcMAHON/fec
3/28/56
cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT. REG. II
Messrs. Pennington, USBM
Nelson, USGS

A.C.S.

Docket

Copy retained 400

Route 1, 150
Calistoga, California
March 23, 1956

RECEIVED
MAR 26 1956

Defense Minerals Exploration Adm.
Washington 25, D. C.

Atten: C. O. Mittendorf
Administrator

Re: Docket No. DMEA 4155-Mercury
Toyon Mine
Napa County, California

Gentlemen:

WEM

In reference to your letter of February 20th., the additional information you requested is as follows:

(1) Since we mailed the application for assistance we have sunk 22 ft. of winze and have contacted some very good ore. The contemplated work is to extend the winze to at least 50ft. depth with approximately 150 ft. of drift from the winze to explore the ore body. We intend in the future to explore the north end of the #2 tunnel, which is now completely caved. To get to the position we are working in now, we have opened up approximately 450 ft. of the old works that was all badly caved. We knew there was ore here.

(2) The ore that we now have is mostly in the shale with some values in the sandstone, the shale predominating on the hanging wall. (Very soft).

(3) We have shipped 2 bottles from about 3 tons of ore.

(4) Company owned equipment:
Compressor - 160 cu. ft. (Gardner-Denver)
Bulldozer - Caterpillar L 20
Pump - capacity - approx. 150 gal. per min.(Byron-Jackson)

Required -
Diesel Electric - 50 K W
One in good condition is available for $3500.00 with either Westinghouse or General Electric dynamo.
Hoist - 1500 lb. load capacity with 250 ft. of 5/8" cable. available for $650.00 . (Good condition).

(5) Present fair-market price for company owned equipment:

Compressor -	$ 1000.00	(cost $600.00 & rebuilt to present value)
Jackhammer -	$ 385.00	
Bulldozer -	$ 1500.00	(bought for $1000.00 & reconditioned to present value)
Mine Car -	$ 40.00	
Pump -	$ 235.00	
Track -	$ 225.00	
Pipe (new) -	$ 373.00	

Copy retained 400

Copy retained 400

We built a rotary retort that cost us about $750.00 for material - capacity - approximately 1500 lbs. each 8 hrs.

Trusting this will supply sufficient information for your further consideration of our application.

Respectfully yours,
Toyon Mine Co.

Alvin M. Bentley

Partner.

AB:ml

Docket
McMahon
Martin
Gustafson

FEB 20 1986

Toyon Mine Company
Route 1, Box 150
Calistoga, California

Re: Docket No. DMEA 4155 - Mercury
Toyon Mine
Napa County, California

Gentlemen:

Reference is made to your application for Government assistance to explore for mercury in the above-cited property.

Your application contains no supporting statement, outline, or description of your intended exploration program except for the possibility noted in the enclosed report on the Toyon Mine; i.e., "Other ore bodies may exist along the strike of the fault that cuts the northern end of the No. 2 tunnel." The proposed exploration sketched on the map you submitted appears to consist of approximately 80 feet of drifting and 50 feet of crosscutting. As you estimated the cost of the project at $14,739.50, it is believed that you must have planned additional work.

In order to give proper consideration to your application, we shall appreciate your furnishing additional information with respect to:

(1) the amounts and types of work to be included in the proposed exploration,

(2) structural features such as promising shear zones, faults, or other favorable indications leading to target areas,

(3) locations and assays of pertinent samples, supported by assay certificates,

(4) the sizes and/or capacities of the company-owned compressor, bulldozer and pump; the same data for the hoist and diesel electric generator required, and

(5) estimates of present fair market prices in your area for company-owned machinery and equipment listed under item 6(d) in your application.

R.C.L.

Under paragraph 7(b) your application states that you will furnish your share of the exploration costs by contributing labor and the use of company-owned equipment. As payment of the Government's share of the costs takes from three to four weeks after the operator submits a properly supported voucher, an applicant should have sufficient funds to finance at least two months' exploration work.

We would like, at this time, to advise that should your application for an exploration contract be approved, an owner's Consent to Lien will be required to protect the Government's interest in the property.

Pending receipt of the supplementary information required, we shall hold your application in abeyance.

Sincerely yours,

G. O. Mittendorf (for)

Administrator

Enclosures

cc: Docket
Code 400
Admin. Read. File
FT, Region 2
Thor Kiilsgaard, USGS
Helena Meyer, USBM

ADMcMahon/ls
2/17/56

Docket

IN REPLY REFER TO:

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

RECEIVED
FEB - 9 1956

February 8, 1956

Re: DMEA 4155
Toyon Mine Company
Toyon Mine
Napa County, California
$14,739.00 - Mercury

WSM

Memorandum

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

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

Subject: Review of application.

The applicant requests Government participation in an indefinite work program, estimated to cost $14,739.50. As shown on the map the work proposed consists of about 80 feet of drifting and 45 feet of crosscutting, but judging by the cost estimate other work must be contemplated. No justification of the work is furnished.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

Copy retained 400

Docket

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

RECEIVED
FEB - 9 1956

February 8, 1956

WSM

Memorandum

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

From: J. W. Pennington, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4155 (mercury), Toyon Mine Company, Toyon Mine, Napa County, California $14,739.50

This application is incomplete and the proposed exploration program is indefinite. Apparently the applicant believes the mine description on the sheets attached to the application is sufficient.

Although there is little available information on the Toyon mine, Bureau of Mines records show that the production during intermittent operation from 1933 to 1941 was probably 100 flasks of mercury.

Evaluation of the application would be difficult with the limited and inadequate information furnished. Referral of the application to the Field Team is recommended to obtain necessary data on the area and an appraisal of the exploration by drilling.

J. W. Pennington

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

Copy retained

February 7, 1956
Subject: DMEA-4155
Re: Exploration Assistance
Toyon Mine

Toyon Mine Company
Rt. 1 Box 150
Calistoga, California

Gentlemen:

The receipt of your application dated January 26, 1956, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4155 and referred to the Iron & Ferro-Alloys 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

February 7, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II.

DMEA - 4155 Toyon Mine Company

Robert E. Adams
Chief, Operation's Control
and Statistics Division

DMEA

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

RECEIVED
FEB - 2 1956

1605 Evans Avenue
Reno, Nevada

January 31, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Mercury)
Toyon Mine
Napa County, California

Attached are three sets of Application for Aid forms MF-103 relative to above subject. The fourth set has been retained in our files. You will note that the applicants request the return of their lease when it has served its purpose.

S. Ricker

Attach.

Toyon Mine Co. 4155

Value of Operating Equipment

1 Gardner Denver Compressor	$1,000.
1 I-R Jackhammer	385
3 Mine Cars	120
1 Byron Jackson pump	235
1 Diesel Electric	3500
1 Hoist	650
	$5890

$ 5890 / 60 mo. = $100/mo. amortization rate.

See Operator's letter in reply to request for additional information.

Put in 400 Docket mcm 8/24/56

Winze

Labor + Supervision

Mine labor, 4 men, 80 man shifts @ $16.00/shift	$1280.00

Operating materials + supplies to be purchased:

	F.T. Rept.	- Salvage Value @ 50%
2 M ft. BM timber @ $100/M	$200.00	200.00
50' of 2" airline @ $0.45/ft	$22.50	12.25
50' of 1" airline @ $0.15/ft.	$7.50	3.75
50' of 8" ventube @ $1.00/ft.	50.00	50.00
Valves + fittings	15.00	7.50
Misc. hand tools + supplies	55.00	27.50
Explosives @ $4.00/ft.	80.00	80.00
Sales tax, etc.	15.00	15.00
	445.00	$396.00

Operating equipment, valued at $6,000
to be supplied by operator on rental basis @ $100.00/mo — 100.00

Miscellaneous

Payroll taxes, ins., etc.	125.00
Total cost for 20'	1901.00
Cost per foot	$95.05

Crosscutting & drifting

210 feet of crosscutting and 190 feet of drifting (or raising) - 400 feet @ 3.2 feet per shift, 125 shifts, or 5 months

Labor & Supervision

Mine labor, 4 men, 5 months,	
400 man shifts @ $16.00	$6,400.00
Supervision and accounting	750.00
	7,150.00

Operating materials & supplies to be purchased

	Ft. Rot.	Salvage Value 50%
1.6 tons of 12 lb. rail @ $186.00/T	= 297.60	148.80
200 ties @ $0.36/ea	72.00	72.00
Bolts, splices, etc.	52.40	52.40
400 ft. of 3" air pipe @ $0.45/ft.	180.00	90.00
400 ft of 1" water line @ $0.20/ft	80.00	40.00
Valves and fittings	60.00	30.00
Gasoline fuel @ $4.00/day	500.00	500.00
Oil and grease	75.00	75.00
3200 lbs. dynamite @ $20.60/cwt	659.20	659.20
9000 ft. fuse @ 11.60/M	104.40	104.40
1500 No. 6 blasting caps	37.50	37.50
2 4x8 steel slick sheets @ $40.00	80.00	80.00
Misc. hand tools	100.00	50.00
Sales tax, etc.	70.00	70.00
	$2368.10	$2009.30

Operating equipment to be supplied by Operator on rental basis @ $100/mo. (allow 6 mos.) $600.00

Miscellaneous

Transportation and hauling @ $100.00	$600.00	
Payroll taxes, insurance, etc.	80.00	
Samples analyzed, 40 samples for Hg @ 3.00/ea.	120.00	
		800.00

Total cost of crosscutting and drifting	10,559.30
Cost per foot	26.40
Timbering as required 400 ft @ 7.00/ft	2,800.00

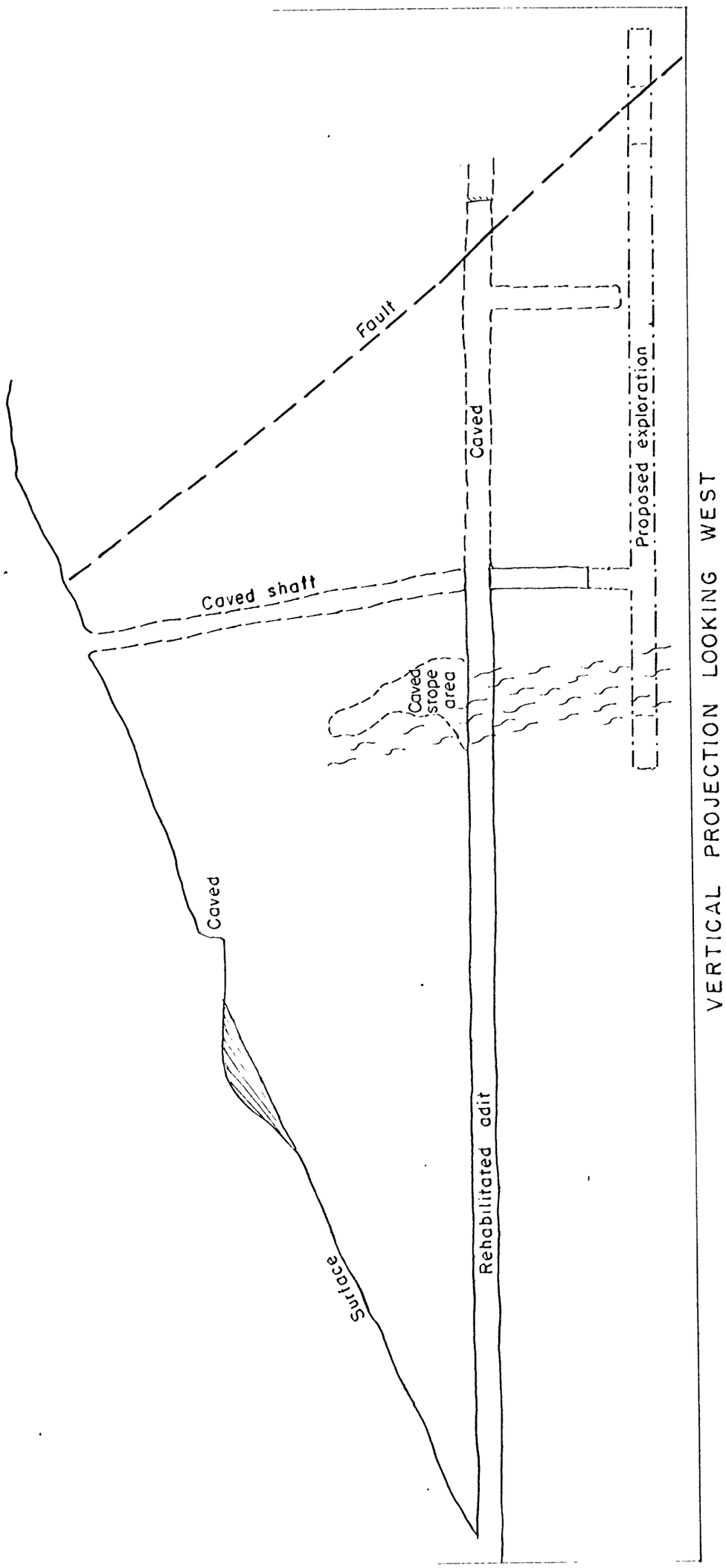
Stage I

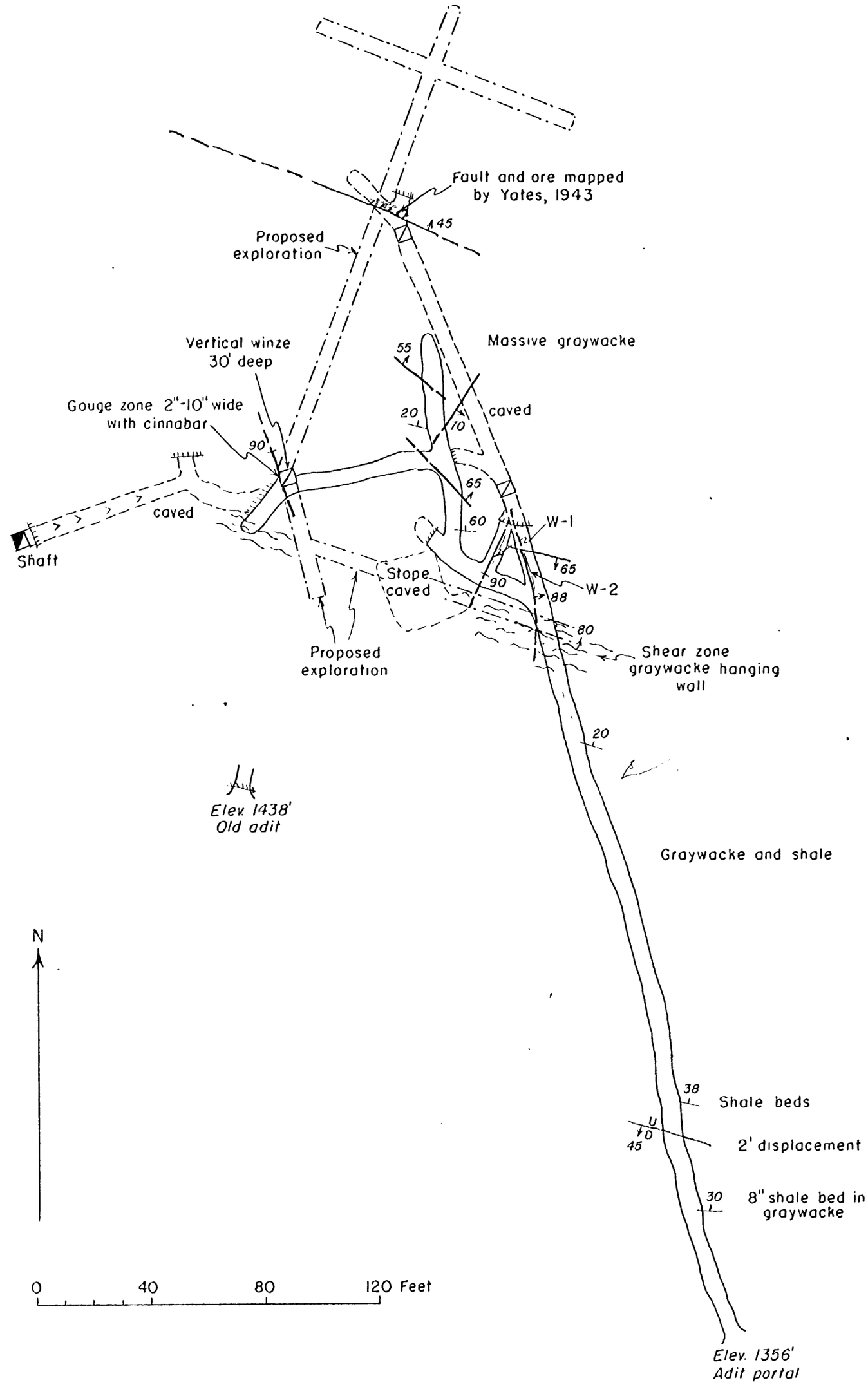
Sinking winze 20' @ $95.00/ft.	$1,900.00
Crosscutting 210' @ 26.40/ft	5544.00
Timbering crosscuts as necessary 200 ft @ 7.00/ft.	1470.00
20 assays @ 3.00 each	60.00
	8974.00

Stage II

Drifting 190' @ 26.40/ft.	5016.00
Timbering drifts as necessary, 190 feet @ $7.00/ft	1330.00
20 assays @ $3.00/ea	60.00
	6406.00

1. Reducing the equipment value from $900 to $600	8974
and applying a 50% salvage value to	15380.
operating supplies the total estimated amount of the	16 1 9 0
contract could be reduced $740 and	11,535.00
G.P. $555 (4.59%).	12,090
	555





TOYON MINE, NAPA COUNTY, CALIFORNIA

Figure 2