MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE Contract No. 14-23-2179 Docket No. MME-6328

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [x] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes dated 1/22/64
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

Government's Copy

EXPLORATION CONTRACT
AUSTIN H. MERRILL
OME-6328

RESCISSION OF EXPLORATION CONTRACT

It is agreed this 1st day of December, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Austin H. Merrill, parties to that certain Exploration Contract No. 14-23-090-2197 (Docket No. OME-6328), dated January 22, 1964, hereinafter called the "Contract," that the Contract is hereby revoked, cancelled, and rescinded as of January 22, 1964, before any exploration work has been performed or any costs have been incurred thereunder, without any obligation whatever, one party to the other, the same as if the contract had never been entered into.

2179

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Acting Director, Office of
Minerals Exploration

AUSTIN H. MERRILL ESTATE

By Lavina Merrill

Title Sole distributee

Long
App'l. Sol. Off.
Murphy
Selfridge
Johnson

Government's Copy

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6328	Gold-Silver	14-23-090- 2179	Shasta	California

It is agreed JAN 22 1964 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Austin H. Merrill, an individual

whose mailing address is Halcyon Mine, French Gulch, California, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before Feb. 7, 1964 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 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 work is $41,860.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $20,930.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) 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 rights in land.--(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 right 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:

See Annex I

(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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or 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 royalty on production and liens for the payment thereof. Two true 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, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws 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 production operations during the period that royalty is payable to the Government. 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. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts 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) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 three copies of a final report (in addition to the final monthly report). 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 royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that 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 preparation or completion of same 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 mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" 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.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser 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 Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

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 royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 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. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Austin H Merrill
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By George Turnick

Long
App'd. Sol. Off.
Talbert

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

Murphy
Selfridge
Johnson

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
AUSTIN H. MERRILL
OME-6328

ANNEX I

The land referred to in Article 2 of the contract consists of six (6) unpatented lode mining claims, including all mining rights pertaining thereto, excepting those noted below, in sec. 17, T. 33 N., R. 7 W. Mt Diablo Meridian, Deadwood mining district, Shasta County, California.

The claims are recorded in Shasta County offices, Redding, California, as follows:

Claims	Book	Page
Lone Pine	186	52
Midway	186	53
Ruby Pearl	186	53
Halcyon	186	54
Globe	186	56
Midway Fraction	186	127

The Operator has rights to the claims under the terms of a Lease and Option Contract, dated May 1, 1963, granted by Thelma Scott and by Fred Lundberg, executor of the estate of J. H. Scott, deceased. The lease excepts certain land, surface rights, buildings, and water rights.

A Lien or Subordination Agreement executed by Fred Lundberg and Thelma Scott is attached hereto and made a part hereof.

The outer boundary of the claim group is shown in green on Figure 2, entitled, "Plan of Exploratory Program and Claim Map," attached hereto and made part hereof. On the Halcyon claim the area south of the "County Road" as shown on Figure 2 is excluded.

A special "Agreement Concerning Royalty" is added as follows:

Notwithstanding the certification provisions of Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or his successor, shall pay to the Government a royalty on any production, regardless of origin, that is transported through any new workings to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in Article 6(b)(2) of the contract and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid on the same production.

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2179
Contract Date	

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of SHASTA, State of CALIFORNIA, described ~~as follows:~~ 2/ in a lease dated May 1, 1963, covering the entire interest of the property under consideration and wherein the legal description of subject claims with the recorded book and page of official records of Shasta County is noted therein and made a part hereof. hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

AUSTIN MERRILL 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

NONE

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions NONE (State "None" or "See Annex No. ".)

Dated this 8 day of JANUARY, 1964.

Fred Lundberg (Seal)	332 Pine (Street)	
Fred Lundberg	San Francisco, Calif. (City & State)	
Thelma Scott (Seal)	#11 Encanto - Greenbrae (Street)	
Thelma Scott	San Rafael, Calif. (City & State)	
(Seal)	(Street)	
	(City & State)	
(Seal)	(Street)	
	(City & State)	
(Seal)	(Street)	
	(City & State)	
(Seal)	(Street)	
	(City & State)	

THE SHOULD NOT SIGN

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

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

95181

EXPLORATION CONTRACT
AUSTIN H. MERRILL
OME-6328

EXHIBIT A

The purpose of this project is to explore by driving a crosscut adit and drifting therefrom, for gold-and silver-bearing ore bodies in quartz and quartz-calcite veins along the thrust fault contact below the Paleozoic Bragdon formation.

General Provisions

All significantly mineralized areas traversed by the adit and drifts shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. Each sample shall be split as necessary and then assayed for gold and silver. The Operator shall store one split of each sample in a suitable container for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps should show the location and value of the samples and the general geological formations and structures traversed by the adit and drifts.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

No work under this contract shall be performed at locations which are within 100 feet of the outer boundary of the project area.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

At a central point approximately 370 feet north of the south end line and 120 feet east of the west side line of the Ruby Pearl claim, excavate a portal site and prepare a dumping area. From the portal site, drive an adit northerly and approximately parallel to the west side line of said claim for an estimated distance of 500 feet or until it traverses the two vein structures indicated on map Figure 2, referred to in Annex I.

If significant mineralization is disclosed in the adit, then with Government approval an aggregate of 500 feet of drifting, and any necessary attendant crosscutting to the east of the adit may be performed on one or both vein structures.

The adit, drifts, and crosscuts, shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber.

Estimated Costs of the Work

Fixed Unit Costs

Excavation of adit portal site and preparation of dump area 1/	$ 600.00
500 feet of adit @ $37.76/ft.	18,880.00
500 feet of drifting and crosscutting @ $37.76/ft.	18,880.00
100 sample assays for gold and silver @ $5.00/sample	500.00
500 feet of timbering in adit, drifts, and crosscuts @ $6.00/ft.	3,000.00
Total Estimated Cost of the Work	$41,860.00
Government Participation @ 50%	$20,930.00

1/ The completed job is the unit of work and includes such costs as surveying, supervision, bulldozing, etc.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

4

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California, 94111

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 17 1963

DATE	INITIALS	CODE

AIRMAIL

October 15, 1963

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: New Application (Gold,Silver)
Austin H. Merrill
Halcyon Mine
Shasta County, California

Enclosed is a copy of an application from Mr. Austin H. Merrill. He proposes to start a new adit, to crosscut about 500 feet to the geologic target area (two veins), and to drift 250 feet on each of the veins in northeasterly direction. A total footage of 1000 feet is requested. The estimated cost of the exploratory program is $40,155.00.

In the application you will note a letter from an attorney, Simeon E. Sheffey, in which he mentioned the estate of J. H. Scott is still in probate, and an approval through the Probate court will require about three weeks in allowing this work. Of course, this depends upon the field examination report, i.e., if the program would warrant this assistance.

It is planned to visit Mr. John Albers' office (USGS), Menlo Park, in discussing the geological target area of this application before departing on this field trip.

Since I will be in the area (approx. 5 miles) from this property examining the Hazel Explorations Syndicate property (America & Gladstone mine), it is recommended a field examination of the Halcyon property be made to determine the extent of Government participation is warranted.

Paul V. Fillo

Paul V. Fillo

Enclosure

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California, 94111

EXTRA COPY
O. M. E
RECEIVED OCT 17 1963
DATE | INITIALS | CO...

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PAUL V. FILLO

Paul V. Fillo

Enclosure

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

MME Form 40
July 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 17 1963

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

AUSTIN H. MERRILL
HALCYON MINE,
FRENCH GULCH, CALIF.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6328

DATE RECEIVED 10-17-63

REGION II

DIVISION CODE 500

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	X
CORPORATION	
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
None		

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
GOLD - SILVER

ESTIMATED COST OF PROJECT
$ 40,155.00

PROPERTY NAME	LOCATION COUNTY	STATE
HALCYON GROUP	SHASTA	CALIFORNIA

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

October 15, 1963.
DATED

Austin H. Merrill
BY *(Signature)*

LESSEE
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

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

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

INT.-DUP. SEC., WASH., D.C.11879

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility: (Exhib. 1a)

(a) Herewith submitted copies of applications for $20,000 loans made to and rejected by the Crocker Anglo Nat'l. Bank and the Wells Fargo Bank of Redding,Calif.

(b) None.

(c) While unable alone or with assistance of friends to initiate and assure completion of the work required to put the property on a production basis,the applicant can and will,if the Gov't. assistance is granted, through use of his means and that available from two friends, without fear of failure due to insufficient capital,complete the ~~dev-elopment~~ EXPLORATORY work and expose ore bodies sufficient in size and grade to start profitable production in the 50 ton mill,1500 ft. distant,available under rental agreement and in good operating condition.

2. Applicant's Rights in Land: (Exhib. 2a,2b)

(a) Herewith submitted copies of Lease & Option agreement and subsequent letter from Mr. S.E.Sheffey. There are no liens.

(b) The property map attached shows the Washington Mine,overall ownership,outlined in green with the subject Lease ground outlined in pink.Outlined in blue are two possessory title fractional claims owned by the applicant. The documents submitted show legal descriptions with book and page of recorded location notices.

(c) Five copies of MME Form 52 attached.

3. Physical Description: (Exhib. 3a,3e)

(a) This application and the proposed ~~development~~ EXPLORATORY WORK is confined exclusively to the area shown outlined in pink on the maps (Exhib.2b). Only one item of past development pertinent to future production from the Lease is a shallow tunnel (called Halcyon Tunnel) driven in 1942 into the Ruby Pearl claim. It's portal,due to an error in surveying, was on an adjacent property but the apex of a vein cut off at the point of contact by the overthrust fault was exposed 260 feet inside the Riby Pearl claim line. Since the tunnel was too shallow and no production could be possible without sinking and because it's portal was on an adjoining claim not owned by the Washington and in addition the influence of the War measure L 208 causing the Washington Mine to cease operation,this tunnel was abandoned and is now caved and inaccessible. Also attached hereto are excerpts from the Washington Mine Supt's. Progress Reports substantiating the contact with the fault drag of the vein. His reports show several assays taken,i.e.,$7.35; $18.20;$235.20 and his saving of 10 tons of ore from the rubble and drag which was later treated in the mill on Oct.18,1942 with a recovered value by amalgamation and concentration of $33.48 per ton.The tailing loss can be estimated at $3.00 per ton. This is one of two veins the proposed lower tunnel is certain to cut within it's 500 foot length and from which production can be anticipated.Both of these vein structures are visible in a tunnel 100 feet west of the Lease boundry line on the adjacent Combination claim owned by Ike Wertz.The Lease embraces 1650 feet in length easterly along this vein structure.See map and section attached marked Exhib.2b.

3. Physical Description: (Exhib. 3a,3e)-cont.

(b) The writer and applicant was Superintendent of the Washington Mine from 1937 until late in 1941. Under his egis a length of approx. 300 feet along the vein structure,easterly from the property line, was mined between the 2400 ft.elevation and the 2665 ft. elevation where the structure is cut off by the overthrust fault.It was in this work that the first and only knowledge was gained of the overthrust fault.Without this knowledge it is impossible to make a comprehensive study of the area's geology and know the existing structure below virtually barren surfaces.In the Washington the area just mentioned produced in excess of $500,000.00 which followed a past production record for the mine of $3,000,000.00. The last work done under my supervision was the added driving of the "I" Level tunnel at the 2200 ft. elevation to expose the downward extension of the ore bodies on two parallel vein structures at this depth. The "I" Level tunnel is the only working on the Washington open for inspection.The applicant is not in a position to furnish herewith the Washington Mine fiscal data or their maps but can by arrangement,make that accessible for study by your examining engineer.

(c) Covered in 3a and 3b.

(d) It is difficult to describe "ore reserves" or potential ore, With only one actual exposure of ore on the Lease ground on only one of the veins where it apexes under the fault.However,the limited work done resulted in 10 tons of ore saved in the fault drag which produced $33 per ton in recovered value when milled. This Lease embraces a width of over 1000 ft. and a length on strike of 1650 ft.,wherein all of the parallel fault fissure veins of the belt will be found. This ore belt extends for 8 miles from the Brown Bear Mine to the Gladstone Mine and has a production record of $26,000,000.00. Immediately to the west of the Lease ground is the Niagara Mine which produced $1,500,000.00 and immediately to the east of the Lease ground is the Washington Mine which produced $3,500,000.00. Except for the 10 tons mentioned above nothing has been mined from this structure within the limits of the Lease and any estimate of it's potential productivity less than $1,000,000.00 would seem to me to be ultra conservative.Three of these parallel fissure veins were mined in the Niagara and the Washington, all approximately 100 ft. apart and the last work done in the Washington exposed another ore bearing parallel fissure vein 300 ft. south of the main fissure.This latter vein has not been developed.

(e) Attached hereto are reproductions of two exhibits in the John P Albers unpublished manuscript undar the title,Geological Survey Research 1961. Professional Paper 424-C. Reference is likewise made to U.S.G.S. Bulletin 540 covering the Niagara Mine and the Washington Mine. For the district,at large,nearly all mines are treated in the California State publications from Vol.X to Vol. XXXV.

(f) Covered in 3 (a) and 3 (b).

(g) Covered in 3 (a), 3 (b) and 3 (e).
No return of documents is requested.

4. Accessibility of Property: (Exhib.2b). (See next page)

4. Accessibility of Property: (Exhib. 2b)

(a) The applicant A.H.Merrill,whose Post Office address is Halcyon Mine, French Gulch,Calif.,will meet the examining engineer at the mine,by appointment. The mine is 3 miles from French Gulch on the French Gulch Creek Road (which is also the County Road),turning off therefrom at the Washington Mill. Roads are in good condition and accessibility has been discussed.

(b) The closest rail and supply point is Redding,Calif.,23 miles distant. In the past sponge gold (50% of production) was delivered to the San Francisco Mint by Railway Express from Redding. The concentrate was trucked to the Selby Plant of A.S.& R.Co.,approximately 200 miles distant.

5. Exploration Work: (Exhib. 2b)

(a) The maps submitted will show the location and extent of the tunnel and the drifts contemplated,as well as existing access roads and the treatment plant. The cross-cut tunnel will be 500 ft. long cutting two vein structures. 250 ft. of drifting will be done on each vein. The tunnel and drifts will be regulation 5 x 7 and will be timbered as needed. All legal and safety regulations will be followed. The maps show the bounderies of the Leasehold and the location of existing workings to the east and west.

(b) Access roads are already in existence. The bulldozer work will be in preperation of the Tunnel Portal and Patio.

(c) Work can be started within 30 days after granting of contract with a reasonable expectation of approximately 100 feet of progress monthly. Overall,approximately 12 months for completion. Year around operating conditions exist in this area.

6. Experience:

Covered in 3 (a) and 3 (b). The applicant will supervise the work and do the engineering and accounting.

7. Estimate of Costs: (Exhib. 7a-g)

(a) thru (g) Attached hereto.

Respectfully submitted,

Austin H. Merrill

14489

FILED

GEO. H. GINOCCHIO
COUNTY CLERK
BY M. Burkemo
DEPUTY

Q-171/17

LAST WILL AND TESTAMENT

OF

JAMES H. SCOTT

I, JAMES H. SCOTT, of San Rafael, California, being of sound and disposing mind and memory and not acting under fraud, duress or menace of any person whomsoever, do make, declare and publish this to be my Last Will and Testament.

FIRST: I hereby revoke all former Wills or Codicils made by me.

SECOND: I declare that all of my property is the community property of myself and my wife, THELMA H. SCOTT.

THIRD: I hereby appoint FRED LUNDBERG as the Executor of this my Last Will and Testament, and request that he be permitted to act as such without the necessity of giving bond. In the event FRED LUNDBERG is unwilling, or is unable, to act as my Executor, then I appoint SIMEON E. SHEFFEY as the Executor of this my Last Will and Testament, and request that he be permitted to act as such without the necessity of giving bond.

FOURTH: I give, devise and bequeath all of my property, of whatsoever character and wherescever situated, to my wife, THELMA H. SCOTT.

FIFTH: To my son, ROBERT DYER SCOTT, I give the sum of One Dollar ($1.00) and no more. It is my intention to omit my said son from the provisions of this Will other than as provided in this Article.

SIXTH: In the event I should survive my wife,

WILL ADMITTED TO PROBATE

THELMA H. SCOTT, I give the rest and residue of my property to my granddaughter, JEANNE SCOTT, now residing at 3737 Degnan Street, Los Angeles, California.

SEVENTH: I have purposely made no provision herein for any other person, whether claiming to be an heir of mine or not. If any person should claim to be an heir of mine except in the terms and manner herein provided and, as such, assert a claim to my estate, or any part thereof, or should any person, whether a beneficiary under this Will or not mentioned herein, contest to any of its provisions, to such person or persons I give the sum of One Dollar ($1.00) and no more in lieu of the provisions which I have, or might have made for such person or persons.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of March, 1961.

James H. Scott

Witnesses:

Simeon E. Sheffey

Mary R. Sheffey

The foregoing instrument, consisting of two (2) pages, including this page, was on the date thereof signed, published and declared by the said Testator, JAMES H. SCOTT, as and for his Last Will and Testament, in the presence of us, and each of us, who, at his request and in his presence and in the presence of each other have signed the same as subscribing witnesses thereto.

Simeon E. Sheffey Residing at 165 Edgewood Ave. San Francisco, Calif.

Mary R. Sheffey Residing at 165 Edgewood Ave San Francisco Calif

The within instrument is a correct copy of the original on file in this office.
ATTEST: JAN - 8 1964
GEO. H. GNOSS
County Clerk and ex-officio Clerk of the Superior Court of the State of California in and for the County of Marin
By _____ Deputy Clerk

SIMEON E. SHEFFEY
Suite 717
300 Montgomery Street
San Francisco 4, Calif.
DO 2-4771

Attorney for Executor

FILED
DEC 23 1963
GEO. H. GNOSS
COUNTY CLERK
BY JOS. HENNEBERRY
DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

In the Matter of the Estate of JAMES H. SCOTT, Deceased	No. 14,489

ORDER AUTHORIZING LEASE AND OPTION AGREEMENT

The petition of FRED LUNDBERG, executor of the estate of the above named decedent for an order allowing and directing the execution of a lease and option of mining property described in said petition, and particularly described in a copy of the agreement submitted herewith, came on regularly to be heard this 29th day of April 1963, and it appearing to the court that notice to the court has been given as required by law, and the court having heard the evidence finds that the allegations of said petitioner are true and that said petition ought to be granted, and the court being satisfied that the same is for the advantage of said estate grants said petition.

IT IS HEREBY ORDERED that FRED LUNDBERG, as executor of the estate of the above named decedent be and he is hereby authorized, empowered and directed to make and execute the lease and option contract a copy of which is submitted and on file herein of the mining property, particularly described in said proposed lease and option contract according to the terms contained therein; that

said real property consists of certain mines, mining claims, mining property, water rights and ditches pertaining thereto and commonly known as the Washington Mine located in the French Gulch mining district, Shasta County, California; that it is further ordered that said lease and option when duly executed may be assigned by the lessee named therein by obtaining first the consent of said lessor in writing and provided further that any such assignment shall not relieve the lessee therein named of any liability on his part in said lease and option.

DATED April 29, 1963.

THOMAS F. KEATING
Presiding Judge of the Superior Court

LEASE AND OPTION CONTRACT

THIS INDENTURE made this 1st day of May, 1963, between FRED LUNDBERG, executor of the estate of J. H. SCOTT, deceased, and THELMA SCOTT of San Rafael, California (hereinafter called LESSOR), and AUSTIN MERRILL of Redding, California (hereinafter called LESSEE) --

w i t n e s s e t h;

WHEREAS, said LESSOR, for and in consideration of the rents and royalties and the covenants and agreements on the part of LESSEE to be kept and performed as hereinafter specified, has leased and by these presents does lease unto said LESSEE, and said LESSEE hereby hires and takes on the right, title and interest of LESSOR in and to all those certain mines, mining claims, mining property, water rights and ditches and all rights appertaining thereto, commonly known as and called:

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December, 1941;

GLOBE QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, Shasta County, Page 56, on the 22nd day of December, 1941;

LONE PINE QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, Page 52, Shasta County Records, December 22, 1941;

excepting from said HALCYON claim all of the land thereof to the South of the county road crossing said mining claims. The purpose of this reservation is to except the mill and cabins

on said claim from the operation of this agreement. Also excepted will be the boarding house on the MIDWAY claim. LESSOR also reserves and accepts the use of the McGill Tunnel, the water tank at the entrance of said tunnel, and the water produced by said tunnel without any diminution, together with the right to take said water by pipe or otherwise across and off of said leased premises. LESSEE shall have the right to mine, extract and take ores from all veins, lodes and mineral deposits in said mining claims, and the dips, spurs and angles thereof for the term and at the rental and for the purposes and upon the covenants, terms and conditions as follows:

1. LESSEE accepts as satisfactory to him title of said LESSOR to the demised premises and agrees that LESSOR shall not be liable nor responsible for damages or otherwise by reason of any defect or claim of defect in LESSOR'S title.

2. LESSEE will commence actual mining operations on said claims on or before May 1, 1963, and between said date and the date of August 1, 1963, will do and perform labor and mining operations on said claims to the extent and value of not less than $1,000.00. A failure to begin this work or a failure to complete the same within the times herein prescribed shall automatically cancel and void this contract.

3. LESSEE will pay to LESSOR a 10% royalty on the net mint and smelter returns on all ore mined and processed from said claims; said royalties shall be payable on the 15th day of each month from all ore milled, shipped or concentrated therefrom during the preceding calendar month. All payments of royalties shall apply upon the purchase price of said property and the price hereinafter fixed shall be reduced by the amount of said royalty payments. In the event LESSEE shall mill ores from said

premises samples therefrom shall be taken and assayed daily on millheads and tailings and records kept thereof in accordance with established mining and milling practice, and copies of all assays shall be delivered to LESSOR monthly. All tailings shall be impounded.

The specified percentage of royalty on any bullion, amalgam and/or concentrates for any shipment shall become at once the property of LESSOR. The mint or smelter, as the case may be, shall be instructed to remit and return such percentage to LESSOR at 332 Pine Street, San Francisco, California. The United States Mint and the smelter to which any concentrates or highgrade ore shall be shipped for reduction shall be so instructed. Whenever LESSEE shall make any shipment of bullion, amalgam, concentrates or highgrade ore, he shall send notice thereof to LESSOR giving the weight and approximate value.

LESSEE agrees that on or before the 15th day of each month after operations shall have begun upon the property he will make and deliver to LESSOR a statement showing the amount of development work done the preceding month, together with a copy of assays taken, the quantity of ore mined, together with the assays taken thereon and in the event any ore is milled the quantity of ore so milled, together with copies of the daily assays of tailings; also duplicate copies of mint and smelter returns.

After September 1, 1963, LESSEE shall perform mining operations on said premises within each calendar year of no less than $2,000.00 and in each calendar year shall file and record proofs of labor as prescribed by law, to cover annual

assessment work requirements on the following named claims held under possessory title, to wit:

SILVER GRAY
SILVER GRAY EXTENSION
SOUTH SIDE
CROSS ROADS
ANNEX OR WASHINGTON ANNEX
EVENING STAR
EAST SIDE FRACTION
HALCYON GOLD QUARTZ MINING CLAIM
RUBY PEARL GOLD QUARTZ MINING CLAIM
MIDWAY GOLD QUARTZ MINING CLAIM
MIDWAY FRACTION QUARTZ MINING CLAIM
GLOBE QUARTZ MINING CLAIM
LONE PINE QUARTZ MINING CLAIM
TRI-COON MINE
NOVEMBER NO. 4 FRACTION

LESSEE shall have the right and option to purchase said mining property during the term hereof for the sum of $50,000.00 and all royalty payments made shall be a credit against the amount of such purchase price. In the event LESSEE elects to exercise said option such election shall be made on or before April 1, 1967. LESSEE shall notify LESSOR in wirting of his election and that thereupon LESSEE will pay to LESSOR one-half of the purchase price herein set forth, less, however, the total

sum of royalties theretofore paid; that thereupon LESSOR will execute and deposit in escrow with the WELLS FARGO BANK, 464 California Street, San Francisco, California, a quit claim deed to said mining claims herein described. Upon payment of the balance of said purchase price LESSEE shall be entitled to receive said deed. The balance of said purchase price shall be due and payable on or before April 1, 1968, and in the event said sum is not paid LESSOR shall have the right at his option to cancel this agreement and to forfeit the payments theretofore made by LESSEE as payment for the use and benefit of said mining property.

LESSEE, during the term hereof, shall have the right to lease the mill situated on the excepted portion of said HALCYON claim at a monthly rental of $500.00 plus a further charge of 35 cents per ton of ore milled therein.

LESSEE shall have the use, during the term hereof, of the two cabins located on the RUBY PEARL and/or LONE PINE minings claims.

LESSEE agrees that at all times the roads into said mining property and, in particular, the road leading into the mill, mess house and cabins shall be kept open, free of obstruction for ingress and egress therefrom. LESSOR further reserves the right, without cost to LESSOR, to use, for domestic purposes in the cabins herein reserved, water and electricity therein.

All equipment of every kind and character now on the leased premises shall remain thereon, whether the same be ore cars, pipe, track, tools, etc. and shall not be taken by LESSEE for use elsewhere than on the leased premises.

LESSEE shall conduct all his operations on the demised premises in a substantial, systematic, proper and minerlike manner, according to approved mining methods for the operation of similar property and with due regard to the development of the same as a safe and workable mine, both for present operations as well as safe and economical operations in the future. LESSEE shall cause all workings and openings made by him to be kept up and timbered when in good mining practice timbering shall be required.

LESSEE shall indemnify and hold and save harmless LESSOR of and from all liability, loss and damage resulting from or arising out of the operation, use or maintenance of the demised premises and all appurtenances, during the term hereof, and of and from any and all claims asserted against LESSOR By any other person or persons whomsoever by reason of such operation, use or maintenance.

LESSEE agrees to keep the demised premises free and clear of all liens of mechanics, laborers, miners, materialmen or others furnishing work, labor or materials for or in connection with his operations and to keep and save harmless LESSOR of and from all claims for work and labor done or materials used or furnished to be used on the demised premises, or any part thereof, and of and from all expenses incurred by LESSOR in resisting or defending any claims asserted against said demised premises by such mechanics, laboreres, miners, materialmen, or others. LESSEE agrees to take out and maintain and keep in force at all times during the term of this lease compensation insurance with some authorized insurance carrier covering all

his liability under any and all Workmen's Compensation Insurance Acts in force in the State of California.

LESSOR shall also have the right and shall be permitted at all times to enter upon the demised premises and upon any mining improvements and appliances therein and thereon and examine the work being done thereon, and at their option may keep an agent or representative at all times on said property with full right of inspection and access. LESSOR shall also have the right to post any notice of nonliability or nonresponsibility as they may desire respecting liens on the said premises and shall have the right to maintain on said premises during the term of this lease any such notice of nonliability or nonresponsibility. LESSOR shall have the right to make and take for their files copies of all maps, plats and other records made and kept by LESSEE in the course of his operations hereunder.

LESSEE shall remove from the workings to the dump all ore and all waste extracted from the leased property (except waste actually used for filling, in conformity with good mining practice) and shall store ore and waste each separate from the other.

All operations on or about the demised premises or in pursuance of the development, mining and treating of ores in connection with the leased premises, shall be conducted in compliance with all laws of the United States and of the State of California and with all rules and regulations of governmental authorities having jurisdiction relating to such operations.

Any notice which is herein provided for or which may be proper hereunder may be sent by United States Mail, addressed to the parties hereto as follows:

Simeon E. Sheffey
Suite 717
300 Montgomery Street
San Francisco 4, California
Attorney for LESSORS

A. H. MERRILL
Redding, California

The addresses to which any notice may be given to either party may be changed upon written notice given by such party to the other.

Each and every agreement, covenant, term or condition herein contained on the part of LESSEE to be kept or performed shall be, and it is hereby made, a condition of this lease, and in the event that LESSEE shall fail or refuse for thirty (30) days after notice of default therein, to pay the rental herein provided or to keep or perform any other such agreement, covenant, term or condition, then and in such event LESSOR may at his option, without notice to LESSEE and without waiving any other right hereunder or at law against LESSEE arising from any such default, terminate this lease, and with or without process of law, expel, remove and put out LESSEE from the possession of the demised premises, but such termination shall not release LESSEE from any obligation or liability theretofore incurred by them under the provisions hereof. A waiver of one default by LESSOR shall not be or be deemed to be a waiver of any other default.

The LESSEE shall not sublet the said premises nor any portion thereof without the written consent of LESSOR first had and obtained.

LESSEE shall not make any voluntary assignment of this lease nor any interest hereunder without the written consent of LESSOR first had and obtained.

All improvements (other than machinery, appliances, equipment and personal property which can be removed without injury to the mines or the improvements on the demised premises) placed in or upon the demised premises shall be and remain the property of LESSOR, without any duty on the part of LESSOR to compensate LESSEE with reference thereto. LESSEE shall have the right at any time during the continuance in force of this lease or within thirty (30) days after the expiration or sooner termination hereof, to remove, at his cost and expense, but only if he can do so without injury to the mines and the improvements on the demised premises, any or all machinery, appliances, equipment, tools and personal property placed by him in or upon the demised premises, provided and upon the condition that he shall have complied with and performed all the provisions of this lease upon his part to be performed up to the time of such removal. All machinery, appliances, equipment, tools and personal property not removed by LESSEE within the time hereinabove specified shall automatically pass and belong to LESSOR.

LESSEE, at his own cost and expense, will impound any and all tailings from ore milled or otherwise treated on the demised premises. LESSEE shall be the judge as to where such tailings shall be safely impounded in order that the same may not be carried into and pollute the water in the streams below such tail ponds.

LESSEE assumes all responsibility for the impounding of such tailings. LESSEE, within thirty (30) days after any shutdown of the mill, shall clean the mill and ore bins of all ore and water, drain the water pipes, clean the floors of such mill, and leave the same in a condition where said mill and its buildings will not deteriorate by reason of water damage or other debris brought thereon by LESSEE.

This agreement and all the stipulations, covenants and agreements contained shall apply to and bind and inure to the benefit of the successors and assigns of the respective parties hereto.

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

Fred Lundberg
FRED LUNDBERG

Thelma Scott
THELMA SCOTT

LESSORS

Austin H. Merrill
AUSTIN H. MERRILL

LESSEE

Exhibit 1a
Austin H. Merrill
Halcyon Mine
French Gulch, Calif.

French Gulch, Calif.
October 1, 1963

Crocker Anglo National Bank
1320 Yuba Street
Redding, California

Gentlemen:

The undersigned, Austin H. Merrill, hereby makes application for a loan of $20,000 for exploration work needed to place his lease on the Halcyon Group of mining claims in Shasta County in production.

These claims embrace a potential ore body that should produce in excess of $1,000,000, and the proceeds from the loan should enable production in the existing mill to begin in approximately six months, when monthly payments to the bank to retire the loan should approximate $2,000 monthly.

Data and reports covering the district and property involved will be submitted on request.

Sincerely,

Austin H. Merrill

AUSTIN H. MERRILL

EXHIB. 1a.
AUSTIN H. MERRILL
HALCYON MINE
French Gulch, California

CROCKER-ANGLO NATIONAL BANK

CHARTERED 1870

REDDING OFFICE • 1320 YUBA STREET • REDDING, CALIFORNIA

October 3, 1963

Mr. Austin H. Merrill
P. O. Box 17
French Gulch, California

Dear Mr. Merrill:

Careful consideration of your loan application in the amount of $20,000 has been made by the Loan Committee of the Redding Office of the Crocker-Anglo National Bank. We are sorry to inform you that after due consideration we must decline this loan on the basis of insufficient bank assets to support such credit.

If we can be of help to you in any other matter, please do not hesitate to call upon us.

Very truly yours,

R. T. Hetland
Assistant Manager

H/c

EXHIB. 1a.
AUSTIN H. MERRILL
HALCYON MINE
French Gulch, California

CROCKER-ANGLO NATIONAL BANK

COMMERCIAL LOAN APPLICATION

NAME OF APPLICANT	Austin H. Merrill	OFFICE	Redding #22
BUSINESS	Gold Mining Exploration	DATE	October 1st, 1963

Instructions. Prepare in triplicate. Forward original and duplicate copies to Branch Commercial Loan Administration or Regional Commercial Loan Supervisor and retain triplicate. After review, Branch Commercial Loan Administration will return duplicate to your office.

TO:

URGENCY: ☐ Routine

☐ Reply needed by _____ M. _____ 19____

☐ Reply by telegraph ☐ Reply by telephone

LOAN APPLIED FOR	TYPE OF LOAN	AMOUNT APPLIED FOR	RATE	TOTAL COMMERCIAL DEBT IF GRANTED
	Mining Exploration	20,000	7%	20,000

SECURITY ENDORSERS, GUARANTORS: None

ADVANCES TO BE USED FOR: Development of 500 foot tunnel into expected gold vein and further drifting from the basic tunnel as vein structure would warrant.

MATURITY AND SOURCE OF REPAYMENT: Sale of expected ore production.

PRESENT LOANS OUT-STANDING (Include loans to endorsers, guarantors, and affiliates. Exclude loan applied for.)	TYPE OF LOAN—ITEMIZE SECURITY & VALUATIONS	MATURITY DATE	RATE	PRESENT BALANCE
COMMERCIAL	None			
OTHER				

PRIOR LOANING EXPERIENCE (Type, highs, lows, cleanups, etc.): Small three figure Consumer Loan. Paying as agreed.

AVERAGE BALANCES (Accounts carried or influenced—give details): Approximate $100

Recommendation of Branch:

REMARKS (For additional space use other side—Tumble Fashion): After due consideration by the Loan Committee, it is felt that there are no bankable assets eligible for security, and the operation is a speculative type venture, not conducive to sound banking lending. Loan declined.

APPROVALS	APPROVED BY AND DATE—Administrative Headquarters	APPROVED BY AND DATE—Regional Headquarters	RECOMMENDED BY AND DATE

Exhibit 1a
Austin H. Merrill
Halcyon Mine
French Gulch, Calif.

French Gulch, Calif.
October 4, 1963

Wells Fargo Bank
Redding Office
Redding, California

Gentlemen:

The undersigned, Austin H. Merrill, hereby makes application for a loan of $20,000 for exploration work needed to place his lease on the Halcyon Group of mining claims in Shasta County in production.

These claims embrace a potential ore body that should produce in excess of $1,000,000, and the proceeds from the loan should enable production in the existing mill to begin in approximately six months, when monthly payments to the bank to retire the loan should approximate $2,000 monthly.

Data and reports covering the district and property involved will be submitted on request.

Sincerely,

Austin H. Merrill

AUSTIN H. MERRILL

EXHIB. 1a.
AUSTIN H. MERRILL
HALCYON MINE
French Gulch, California

Since 1852

WELLS FARGO BANK

REDDING OFFICE
REDDING, CALIFORNIA

October 4, 1963

Mr. Austin H. Merrill
Box 17
French Gulch, California

Dear Mr. Merrill:

This refers to your request this date for a $20,000.00 loan for mining exploration expenses.

Inasmuch as the purpose of the loan is a speculative type venture we normally require an acceptable collateral. A review of your financial statement of October 1, 1963 does not reflect a financial responsibility of a nature acceptable to our bank and we regret that we are not in a position to make the loan.

Sincerely yours,

G. A. Greenleaf
Manager

GAG/jm

COPY

SIMEON E. SHEFFEY
ATTORNEY AT LAW
300 MONTGOMERY STREET
SAN FRANCISCO 4, CALIFORNIA
TELEPHONE DOUGLAS 2-4771

October 15, 1963

Mr. Austin H. Merrill
French Gulch
California

My dear Mr. Merrill:

I have reviewed the papers which you have prepared with reference to your application for a government loan for the exploration on the Halcyon Mines which you have under lease from the estate of J. H. Scott, deceased.

As you know the estate of J. H. Scott is still in probate and a matter of this kind must have the approval of the Probate Court. This is more or less a formality where the proposal is for the benefit of the estate as it is in this instance. Your application and your proceeding in this matter has the approval of myself as attorney for the executor of the estate of J. H. Scott, deceased, and it also has the approval of the executor of this estate.

Under these circumstances I anticipate no difficulty in obtaining the court's approval in this matter. However, this takes some time and it will require approximately three week's time to obtain this approval since the law requires certain notices to be given. I will prepare the application to the Probate Court and proceed with all dispatch.

Yours very truly,

Simeon E. Sheffey

SIMEON E. SHEFFEY

w

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of [illegible], State of [illegible],

described ~~as follows~~:[2] [illegible] (See Annex) [illegible]

legal description

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

[illegible][3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

[illegible]

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions _____ _____ (State "None" or "See Annex No._____".)

Dated this_____day of_____, 19____.

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

LONE PINE GOLD QUARTZ MINE located on the 14th of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 402, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 52, Dec. 22, 1941. Shasta County California.

GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County California.

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 15 1963

EXHIB. 2a.

AUSTIN H. MERRILL
HALCYON MINE
French Gulch, California

LEASE AND OPTION CONTRACT

THIS INDENTURE made this 1st day of May, 1963, between FRED LUNDBERG, executor of the estate of J. H. SCOTT, deceased, and THELMA SCOTT of San Rafael, California (hereinafter called LESSOR), and AUSTIN MERRILL of Redding, California (hereinafter called LESSEE) --

W I T N E S S E T H:

WHEREAS, said LESSOR, for and in consideration of the rents and royalties and the covenants and agreements on the part of LESSEE to be kept and performed as hereinafter specified, has leased and by these presents does lease unto said LESSEE, and said LESSEE hereby hires and takes on the right, title and interest of LESSOR in and to all those certain mines, mining claims, mining property, water rights and ditches and all rights appertaining thereto, commonly known as and called:

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

excepting from said HALCYON claim all of the land thereof to the South of the county road crossing said mining claims. The purpose of this reservation is to except the mill and cabins

on said claim from the operation of this agreement. Also excepted will be the boarding house on the MIDWAY claim. LESSOR also reserves and excepts the use of the McGill Tunnel, the water tank at the entrance of said tunnel, and the water produced by said tunnel without any diminution, together with the right to take said water by pipe or otherwise across and off of said leased premises. LESSEE shall have the right to mine, extract and take ores from all veins, lodes and mineral deposits in said mining claims, and the dips, spurs and angles thereof for the term and at the rental and for the purposes and upon the covenants, terms and conditions as follows:

1. LESSEE accepts as satisfactory to him title of said LESSOR to the demised premises and agrees that LESSOR shall not be liable nor responsible for damages or otherwise by reason of any defect or claim of defect in LESSOR'S title.

2. LESSEE will commence actual mining operations on said claims on or before May 1, 1963, and between said date and the date of August 1, 1963, will do and perform labor and mining operations on said claims to the extent and value of not less than $1,000.00. A failure to begin this work or a failure to complete the same within the times herein prescribed shall automatically cancel and void this contract.

3. LESSEE will pay to LESSOR a 10% royalty on the net mint and smelter returns on all ore mined and processed from said claims; said royalties shall be payable on the 15th day of each month from all ore milled, shipped or concentrated therefrom during the preceding calendar month. All payments of royalties shall apply upon the purchase price of said property and the price hereinafter fixed shall be reduced by the amount of said royalty payments. In the event LESSEE shall mill ores from said

premises samples therefrom shall be taken and assayed daily on millheads and tailings and records kept thereof in accordance with established mining and milling practice, and copies of all assays shall be delivered to LESSOR monthly. All tailings shall be impounded.

The specified percentage of royalty on any bullion, amalgam and/or concentrates for any shipment shall become at once the property of LESSOR. The mint or smelter, as the case may be, shall be instructed to remit and return such percentage to LESSOR at 332 Pine Street, San Francisco, California. The United States Mint and the smelter to which any concentrates or highgrade ore shall be shipped for reduction shall be so instructed. Whenever LESSEE shall make any shipment of bullion, amalgam, concentrates or highgrade ore, he shall send notice thereof to LESSOR giving the weight and approximate value.

LESSEE agrees that on or before the 15th day of each month after operations shall have begun upon the property he will make and deliver to LESSOR a statement showing the amount of development work done the preceding month, together with a copy of assays taken, the quantity of ore mined, together with the assays taken thereon and in the event any ore is milled the quantity of ore so milled, together with copies of the daily assays of tailings; also duplicate copies of mint and smelter returns.

After September 1, 1963, LESSEE shall perform mining operations on said premises within each calendar year of no less than $2,000.00 and in each calendar year shall file and record proofs of labor as prescribed by law, to cover annual

assessment work requirements on the following named claims held under possessory title, to wit:

SILVER GRAY

SILVER GRAY EXTENSION

SOUTH SIDE

CROSS ROADS

ANNEX OR WASHINGTON ANNEX

EVENING STAR

EAST SIDE FRACTION

BALCTON GOLD QUARTZ MINING CLAIM

RUBY PEARL GOLD QUARTZ MINING CLAIM

MIDWAY GOLD QUARTZ MINING CLAIM

MIDWAY FRACTION QUARTZ MINING CLAIM

GLOBE QUARTZ MINING CLAIM

LONE PINE QUARTZ MINING CLAIM

TRI-COON MINE

NOVEMBER NO. 4 FRACTION

LESSEE shall have the right and option to purchase said mining property during the term hereof for the sum of $50,000.00 and all royalty payments made shall be a credit against the amount of such purchase price. In the event LESSEE elects to exercise said option such election shall be made on or before April 1, 1967. LESSEE shall notify LESSOR in writing of his election and that thereupon LESSEE will pay to LESSOR one-half of the purchase price herein set forth, less, however, the total

sum of royalties theretofore paid; that thereupon LESSOR will execute and deposit in escrow with the WELLS FARGO BANK, 464 California Street, San Francisco, California, a quitclaim deed to said mining claims herein described. Upon payment of the balance of said purchase price LESSEE shall be entitled to receive said deed. The balance of said purchase price shall be due and payable on or before April 1, 1968, and in the event said sum is not paid LESSOR shall have the right at his option to cancel this agreement and to forfeit the payments theretofore made by LESSEE as payment for the use and benefit of said mining property.

LESSEE, during the term hereof, shall have the right to lease the mill situated on the excepted portion of said BALCYON claim at a monthly rental of $500.00 plus a further charge of 35 cents per ton of ore milled therein.

LESSEE shall have the use, during the term hereof, of the two cabins located on the RUBY PEARL and/or LONE PINE minings claims.

LESSEE agrees that at all times the roads into said mining property and, in particular, the road leading into the mill, mess house and cabins shall be kept open, free of obstruction for ingress and egress therefrom. LESSOR further reserves the right, without cost to LESSOR, to use, for domestic purposes in the cabins herein reserved, water and electricity therein.

All equipment of every kind and character now on the leased premises shall remain thereon, whether the same be ore cars, pipe, track, tools, etc. and shall not be taken by LESSEE for use elsewhere than on the leased premises.

LESSEE shall conduct all his operations on the demised premises in a substantial, systematic, proper and minerlike manner, according to approved mining methods for the operation of similar property and with due regard to the development of the same as a safe and workable mine, both for present operations as well as safe and economical operations in the future. LESSEE shall cause all workings and openings made by him to be kept up and timbered when in good mining practice timbering shall be required.

LESSEE shall indemnify and hold and save harmless LESSOR of and from all liability, loss and damage resulting from or arising out of the operation, use or maintenance of the demised premises and all appurtenances, during the term hereof, and of and from any and all claims asserted against LESSOR by any other person or persons whomsoever by reason of such operation, use or maintenance.

LESSEE agrees to keep the demised premises free and clear of all liens of mechanics, laborers, miners, materialmen or others furnishing work, labor or materials for or in connection with his operations and to keep and save harmless LESSOR of and from all claims for work and labor done or materials used or furnished to be used on the demised premises, or any part thereof, and of and from all expenses incurred by LESSOR in resisting or defending any claims asserted against said demised premises by such mechanics, laborers, miners, materialmen, or others. LESSEE agrees to take out and maintain and keep in force at all times during the term of this lease compensation insurance with some authorized insurance carrier covering all

his liability under any and all Workmen's Compensation Insurance Acts in force in the State of California.

LESSOR shall also have the right and shall be permitted at all times to enter upon the demised premises and upon any mining improvements and appliances therein and thereon and examine the work being done thereon, and at their option may keep an agent or representative at all times on said property with full right of inspection and access. LESSOR shall also have the right to post any notice of nonliability or nonresponsibility as they may desire respecting liens on the said premises and shall have the right to maintain on said premises during the term of this lease any such notice of nonliability or nonresponsibility. LESSOR shall have the right to make and take for their files copies of all maps, plats and other records made and kept by LESSEE in the course of his operations hereunder.

LESSEE shall remove from the workings to the dump all ore and all waste extracted from the leased property (except waste actually used for filling, in conformity with good mining practice) and shall store ore and waste each separate from the other.

All operations on or about the demised premises or in pursuance of the development, mining and treating of ores in connection with the leased premises, shall be conducted in compliance with all laws of the United States and of the State of California and with all rules and regulations of governmental authorities having jurisdiction relating to such operations.

Any notice which is herein provided for or which may be proper hereunder may be sent by United States Mail, addressed to the parties hereto as follows:

Simeon E. Sheffey
Suite 717
300 Montgomery Street
San Francisco 4, California
Attorney for LESSORS

A. H. MERRILL

Redding California.

The addresses to which any notice may be given to either party may be changed upon written notice given by such party to the other.

Each and every agreement, covenant, term or condition herein contained on the part of LESSEE to be kept or performed shall be, and it is hereby made, a condition of this lease, and in the event that LESSEE shall fail or refuse for thirty (30) days after notice of default therein, to pay the rental herein provided or to keep or perform any other such agreement, covenant, term or condition, then and in such event LESSOR may at his option, without notice to LESSEE and without waiving any other right hereunder or at law against LESSEE arising from any such default, terminate this lease, and with or without process of law, expel, remove and put out LESSEE from the possession of the demised premises, but such termination shall not release LESSEE from any obligation or liability theretofore incurred by them under the provisions hereof. A waiver of one default by LESSOR shall not be or be deemed to be a waiver of any other default.

The LESSEE shall not sublet the said premises nor any portion thereof without the written consent of LESSOR first had and obtained.

LESSEE shall not make any voluntary assignment of this lease nor any interest hereunder without the written consent of LESSOR first had and obtained.

All improvements (other than machinery, appliances, equipment and personal property which can be removed without injury to the mines or the improvements on the demised premises) placed in or upon the demised premises shall be and remain the property of LESSOR, without any duty on the part of LESSOR to compensate LESSEE with reference thereto. LESSEE shall have the right at any time during the continuance in force of this lease or within thirty (30) days after the expiration or sooner termination hereof, to remove, at his cost and expense, but only if he can do so without injury to the mines and the improvements on the demised premises, any or all machinery, appliances, equipment, tools and personal property placed by him in or upon the demised premises, provided and upon the condition that he shall have complied with and performed all the provisions of this lease upon his part to be performed up to the time of such removal. All machinery, appliances, equipment, tools and personal property not removed by LESSEE within the time hereinabove specified shall automatically pass and belong to LESSOR.

LESSEE, at his own cost and expense, will impound any and all tailings from ore milled or otherwise treated on the demised premises. LESSEE shall be the judge as to where such tailings shall be safely impounded in order that the same may not be carried into and pollute the water in the streams below such tail ponds.

LESSEE assumes all responsibility for the impounding of such tailings. LESSEE, within thirty (30) days after any shutdown of the mill, shall clean the mill and ore bins of all ore and water, drain the water pipes, clean the floors of such mill, and leave the same in a condition where said mill and its buildings will not deteriorate by reason of water damage or other debris brought thereon by LESSEE.

This agreement and all the stipulations, covenants and agreements contained shall apply to and bind and inure to the benefit of the successors and assigns of the respective parties hereto.

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

(signed) Fred E. Lundberg

LESSORS

Austin Merrell

LESSEE

EXHIB. 2a.

AUSTIN H. MERRILL
HALCYON MINE
French Gulch, California

SIMEON E. SHEFFEY
ATTORNEY AT LAW
300 MONTGOMERY STREET
SAN FRANCISCO 4, CALIFORNIA
TELEPHONE DOUGLAS 2-4771

October 4, 1963

Mr. Austin Merrill
Halcyon Mine
French Gulch, California

Dear Austin:

Your telegram received with reference to adding the Lone Pine and Globe Mines to your existing lease.

As you know I have been quite occupied with other matters relating to the Washington Mine and have not had the necessary time to give to the matter of preparing this additional lease for you. However, you may be assured that the Lone Pine and Globe Mines will be added to your lease and you may act accordingly.

I have discussed this with Fred Lundberg and it is quite agreeable so far as he is concerned.

With kindest regards,

Simeon E. Sheffey
SIMEON E. SHEFFEY

LEGAL DESCRIPTION ADDED:

The LONE PINE GOLD QUARTZ MINE located on the 14th of October, 1926 by W.C.Blagrave and C.C.Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 402, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 52, Dec. 22, 1941. Shasta County, Calif.

The GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W.C.Blagrave and C.C.Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County, Calif.

A.H.M.

EXHIB. 3a.
AU[illegible]N H. MERRILL
HALCYON MINE
French Gulch, California

HALCYON TUNNEL.
Historical Background.

Excerpts from reports and correspondence from Joseph David, Mine Superintendent, just prior to the end of the Washington Mine operation.

3/17/42. Report for month of February.
"The work of spiling through the ledge was continued and by the end of the month the situation was under control and the caved ledge matter overhead had ceased to run. The water is also greatly reduced."

3/20/42. Report for period 3/1-3/15/42.
"At the emd of the period the face of the tunnel was 252 ft. from the portal. The face at that point was slate in the top half and porphyry in the lower half. The line of contact is approximately horizontal and on the right hand side of the face, on the contact, there is about 8 inches of ore. This was sampled. We are making a turn to the northeast with the idea of exploring the ledge." (Note: After the samples mentioned were assayed the office made the notation of results as follows; #723 ran $235.20 and #724 ran $18.20).

4/3/42. Letter to Messrs. Scott and Hall (mine owners).
"In respect to the Halcyon Tunnel there is nothing further to report at this time beyond what was shown on the sketch I sent in a couple of days ago. The sketch showed the condition of the face at 260 ft. from the portal. Since that time the back has caved and the caved material ran around the end of the spiling and filled the tunnel at the face. We have been engaged the past two days in mucking this out and breast boarding. The situation is now under control and we will have another set in by the end of the week barring something entirely unforseen at this time. There was considerable water behind the caved material but it has drained out and the only water making now is from the bottom. It appears that from now on we may be getting into better ground, that is firmer ground, which will make for a little more speed in driving. As can be seen from the sketch the veinmatter is standing much s traighter than anything found heretofore and its attitude appears to be more like that of the Washington vein.
The material mucked during the past two days, being material from the caved hole, is being put into a stockpile and sampled. It may be good enough to mill as it contains a fair proportion of good looking vein material. About 10 tons of this material are in the pile which is a separate pile from the other high grade ore."

4/8/42. Report for month of March.
"At the end of the month the face of the tunnel was 260 ft. from the portal and at that point a large cavity was encountered on the north side of the tunnel. This opening shows a well defined ledge standing almost vertical and has a strike in general like that of the Washington vein. The ground is very wet and causes considerable trouble and for that reason progress is very slow but it is thought that better ground will be encountered soon. A car sample of the material mucked from the hole gave $7.35. We have 14 cars of this in a stockpile as well as about one ton of ore that will probably assay $100."

End quote. Note; The mill report on the treatment of this ore as the final milling operation of the Washington is next attached.

EXHIB. 3a.

AUSTIN. H. MERRILL

WASHINGTON MILL

HALCYON MINE
French Gulch, California

(C O P Y)

DAILY REPORT

Date Oct. 18, 1942.

	HALCYON ORE
Truck Loads Received	
Hours Crushing	1.00
Hours Milling	6.00
Dry Tons Milled	9.63
Tons Jig Conc. Prod.	.036
Tons Flot. Conc. Prod.	.39
Oz. Amalgam Prod. Jig	9.0
Oz. Amalgam Prod. Plate	1.0
Total Oz. Amalgam On Hand	10.0
Sponge Retorted	5.5 ozs. (From above Amalgam)

REMARKS: Flot Tailing panned more Sulphides than Washington ore.

Added note: Sponge @ $28 x 5.5 = $154.00
Conc.sold@$432 x .39 = $168.48
$ 322.48 recovered.

The recovery was $33.48/ton and tailing can be estimated at $3/ton.

APPROVED:

signed) M.J.E.

EXHIB. 7a-g.
STIN H. MERRILL
HALCYON MINE
French Gulch, California

7 a thru g. EXPLORATION COSTS.

1. Bulldozer, RD6-preparation for tunnel portal & patio.
   Rental w/ operator & supplies, 40 hrs. @ $12/hr..... $ 480.00
   Supervising, surveying, 1 week @ $500/mo..... 125.00
   Equals $15.15 per hour overall..... $ 605.00

2. Crosscut tunnel, 500 ft. and two drifts, 250 ft. each;
   Total 1000 ft; 5 day week; advance 3½ ft./day equals low
   285 days and 12 months elapsed time.
   Wages: Miners and Muckers @ $2.75/hr., averaging,
   3½ ft. advance per shift..... $19,000.00 Per ft 19.00
3. Insurance, Soc. Sec tax, etc., 14%..... 2,660.00 2.66
4. Powder, fuse, detonators..... 2,900.00 2.90
5. Dimension timber, 8x8, 6x6, 4x4, 2x8, 2x4,
   Estimate 50% total footage=16,000 bf @ $80/m..... 1,280.00 1.28
   Lagging. 2x12 and misc.= 20,000 bf @ $35/m..... 700.00 .70
6. Air pipe, 2"; water pipe, 1", mine rail 16lb., ventube.... 1,170.00 1.17
7. Misc. supplies & maintainence..... 2,000.00 2.00
8. Supervision, engineering, accounting, 12 mo. @ $500/mo... 6,000.00 6.00
   Insurance, Soc. Sec. tax, etc.....14%..... 840.00 .84
9. *Rental, as itemized below, 12 months..... 3,000.00 3.00
   1000 ft. tunneling and drifting @ $39.55/ft..... $39,550.00 39.55
   Item 1. above, 40 hrs. bulldozer @ $15.15/hr..... 605.00
10. Total Cost of Project..... $40,155.00

* 125 cfm Compressor, 12 mos. @ $100/mo..... $1,200.00
1 ton Pick-Up truck, 12 mos. @ $25/mo..... 300.00
Washington Mine equipment, as itemized, 12 mo. $125/ 1,500.00
$3,000.00

Following Washington Mine equipment was completely overhauled last year and is in first class shape. A blanket agreement covers the following in addition to other useful items;

Drill, drill steel, columns, arms.
Air and water hose.
Water pressure tank.
Mine cars.
Air Hoist.
Blacksmithing equipment, forge and blower.
Small tools.
Office and office equipment.

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 17 1963

DATE	INITIALS	CODE

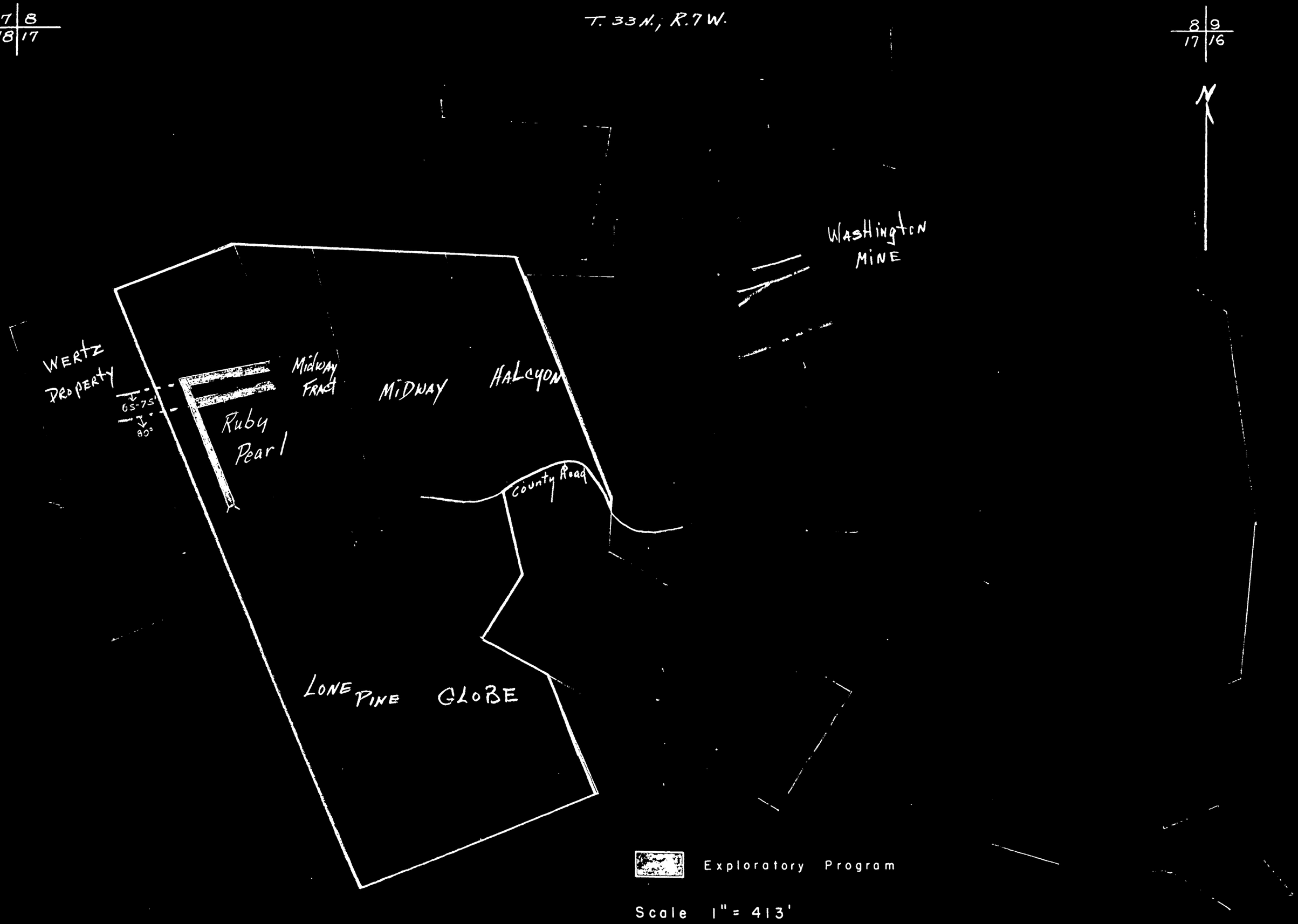

FIGURE 2.- Plan of Exploratory Program and Claim Map.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

New Ones submitted

To the United States of America:

That certain land in the County of [illegible], State of [illegible],

described ~~as follows~~:[2] In a lease dated May 1, 1[illegible] (see [illegible]) for legal description

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

[illegible][3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

[illegible]

ESTATE OF JAMES H. SCOTT

David E. Sandberg

Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions _____ (State "None" or "See Annex No._____".)

Dated this 9 day of December, 19 63.

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

LONE PINE GOLD QUARTZ MINE located on the 14th of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 402, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 52, Dec. 22, 1941. Shasta County California.

GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County California.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of SUTTER, State of CALIFORNIA, described ~~as follows~~:[2] In a lease dated May 1, 1963. (See Annex) For legal description

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

AUSTIN H. MERRILL,[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred L. Lindberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions ____ Annex ____ (State "None" or "See Annex No. ____".)

Dated this 9 day of December, 19 63.

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

LONE PINE GOLD QUARTZ MINE located on the 14th of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 402, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 52, Dec. 22, 1941. Shasta County California.

GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County California.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of SHASTA, State of CALIFORNIA, described ~~as follows~~:[2] In a lease dated May 1, 1963. (See Annex) For legal description

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

AUSTIN H. MERRILL[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred E. Lundberg

Fred E. Lundberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions Annex (State "None" or "See Annex No. ____".)

Dated this 9 day of December, 19 63.

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

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RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

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GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County California.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of SHASTA, State of CALIFORNIA, described ~~as follows~~: 2/ ~~In a lease dated May 1, 1963. (See Annex)~~ For legal description

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

AUSTIN H. MERRILL, 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred E. Sandberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions Annex (State "None" or "See Annex No.____".)

Dated this 9 day of December, 1963.

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

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MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of SUTTER, State of CALIFORNIA, described ~~as follows~~:[2] In a lease dated May 1, 1963. (See Annex) For legal description

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

AUSTIN H. MERRILL,[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred L. Lundberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions ____ Annex ____ (State "None" or "See Annex No. ____".)

Dated this 9 day of December, 19 63.

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

LONE PINE GOLD QUARTZ MINE located on the 14th of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 402, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 52, Dec. 22, 1941. Shasta County California.

GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County California.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of SHASTA, State of CALIFORNIA, described ~~as follows~~:[2] In a lease dated May 1, 1963. (See Annex) For legal description

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

AUSTIN H. MERRILL[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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]

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred E. Lundberg

Fred E. Lundberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions Annex (State "None" or "See Annex No. ____".)

Dated this 9 day of December, 19 63.

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

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MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of SHASTA, State of CALIFORNIA, described ~~as follows~~: 2/ ~~In a lease dated May 1, 1963. (See Annex)~~ For legal description

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

AUSTIN H. MERRILL 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred E. Sundberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

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4. 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 true copies of such notice; and

5. 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.

6. Added provisions Annex (State "None" or "See Annex No.____".)

Dated this 9 day of December, 1963.

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

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RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

May 20, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 24 1965

INITIALS	CODE
	120
	120M
	22

Mrs. Lavina Merrill
Lorenz Hotel
1509 Yuba Street
Redding, California

OME-6328

Dear Mrs. Merrill:

Enclosed is your original Order Assigning Estate, as you requested.

I am sorry for the delay in returning the document.

Sincerely yours,

Paul V. Fillo
Acting Field Officer
OME, Region II

Enclosure

cc:
Chief, Div. of Field Operations, OME, Wash., D. C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		130
5/14		110
		100
		220

MAY 1 4 1965

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Exploration Operations

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

Pursuant to your request of May 10, 1965, enclosed are the original and a copy for you of the Order Assigning Estate pertaining to Austin H. Merrill.

George C. Selfridge

Enclosures

GCSelfridge/mm (5/14/65)
cc: Director's Reading File
Review Committee
Docket
Mr. Selfridge
120M

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

May 10, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 14 1965

INITIALS	CODE
	120
	120

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al, claims
Shasta County, California

Mrs. LaVina Merrill called our office this morning requesting that we return the document, Order Assigning the Estate. I would appreciate it if you would send a copy or the original back to this office, as I neglected to make a copy of the document. Thank you.

Paul V. Fillo

Paul V. Fillo

cc:
Chief, Div. of Field Operations, OME, Wash., D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

January 28, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 1 1965
INITIALS | CODE
ama | 800
FMM | 120
| 120
| 220

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al, Claims
Shasta County, Calif.
Contract No. 2179

In reference to your memo of January 13, 1965 on the above subject contract, Mrs. Merrill was given a thorough explanation why no reimbursement could be made. She insisted that I submit a monthly voucher for her.

I will write and advise her again why reinbursement could not be made.

Paul V. Fillo

Paul V. Fillo

cc:
Chief, Division of Field Operations, OME, Wash., D. C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/12	Selfridge	130
11	Johnson	110
12	[illegible]	100
		220
13	Case	

JAN 13 1965

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Exploration Operations

Subject: CMX-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

Reference is made to your memorandum of January 8, 1965, enclosing copies of vouchers submitted in March 1964.

On December 1, 1964, we forwarded you a letter to Mrs. Merrill enclosing a proposed Rescission of Exploration Contract explaining to her that no actual exploration work had been done under the contract and that it had been in default for many months.

On January 6, 1965, you sent us our copies of the executed rescission agreement. Under it no reimbursement could be made. In our telephone conversation of December 4, 1964, we discussed the matter of the $600. Mention was made that actually no exploration work had been done and that the submittal of a voucher and possible payment thereof would entail a request for the return of the money unless the default under the contract was immediately cured and work undertaken. The background of this matter should have been explained to Mrs. Merrill at your meeting as it could have been done more satisfactorily than by mail.

George C. Selfridge (gla)

GCSelfridge/gla (1-12-65)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge
CA&A Division
120M

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

January 8, 1965

OFFICIAL COPY
M. E.
RECEIVED
JAN 11 1965
INITIALS | CODE
ama | 800
120
220

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al, Claims
Shasta County, Calif.
Contract No. 2179

Enclosed are the original and two copies of the Operator's Monthly Report that were submitted for payment in March 1964, right after the operator had a fatal heart attack.

Mrs. Lavina Merrill visited our office yesterday and delivered the document Order Assigning the Estate. In our meeting she mentioned a refund of 50 percent of what is shown on the monthly vouchers would be of great help to her.

Paul V. Fillo
Paul V. Fillo

Enclosures

cc:
Chief, Division of Field Operations, OME, Wash., D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

extra

~~OFFICIAL~~ COPY

January 8, 1965

M. E.
RECEIVED
JAN 11 1965
INITIALS CODE

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al, Claims
Shasta County, Calif.
Contract No. 2179

Enclosed are the original and two copies of the Operator's Monthly Report that were submitted for payment in March 1964, right after the operator had a fatal heart attack.

Mrs. Lavina Merrill visited our office yesterday and delivered the document Order Assigning the Estate. In our meeting she mentioned a refund of 50 percent of what is shown on the monthly vouchers would be of great help to her.

Paul V. Fillo

Enclosures

cc:
Chief, Division of Field Operations, OME, Wash., D. C.

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. O.M.E. 6328
Contract No. 14-23-090-2179
Contract Amount $ 41,860.00
Gov't. Participation % 50 $ 20,930.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of February, 1964

Operator's Name ~~Austin H.~~ Merrill
Address Halcyon Mine, French Gulch, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Preparing Adit Portal Site & Dump Area	600.00	--0--	600.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS $	600.00	--0--	600.00			

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

Date March 17, 1964 Payee Austin H. Merrill

Per Mrs Austin H. Merrill Title wife

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2179

Signature Paul V. Lillo Title Acting Field Officer Date March 27, 1964

Approved by OME Executive Officer or Alternate:

Signature Paul V. Lillo Title Acting Field Officer Date March 27, 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

RECEIVED
MAR 30 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of February 1964 Docket No. O.M.E. 6328

Operator's Name Austin H. Merrill Contract No. 14-23-090-2179

Halcyon Mine, French Gulch, California

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Preparing Adit Portal Site Dump Area				600.00			600.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$ 600.00			600.00

REMARKS

The first phase of the contract work was started February 5, 1964 in preparing the adit portal site and dumping area. The bulldozer work was completed February 22, 1964. The attached map shows the proposed portal site and dumping area.

(Continue on back)

REMARKS

(Continue on back)

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

Date March 17, 1964 Operator Austin H. Merrill

Per Mrs Austin H Merrill Title wife

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Paul C. Fillo

Title Acting Field Officer OME Region II Government Representative

Date March 27, 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

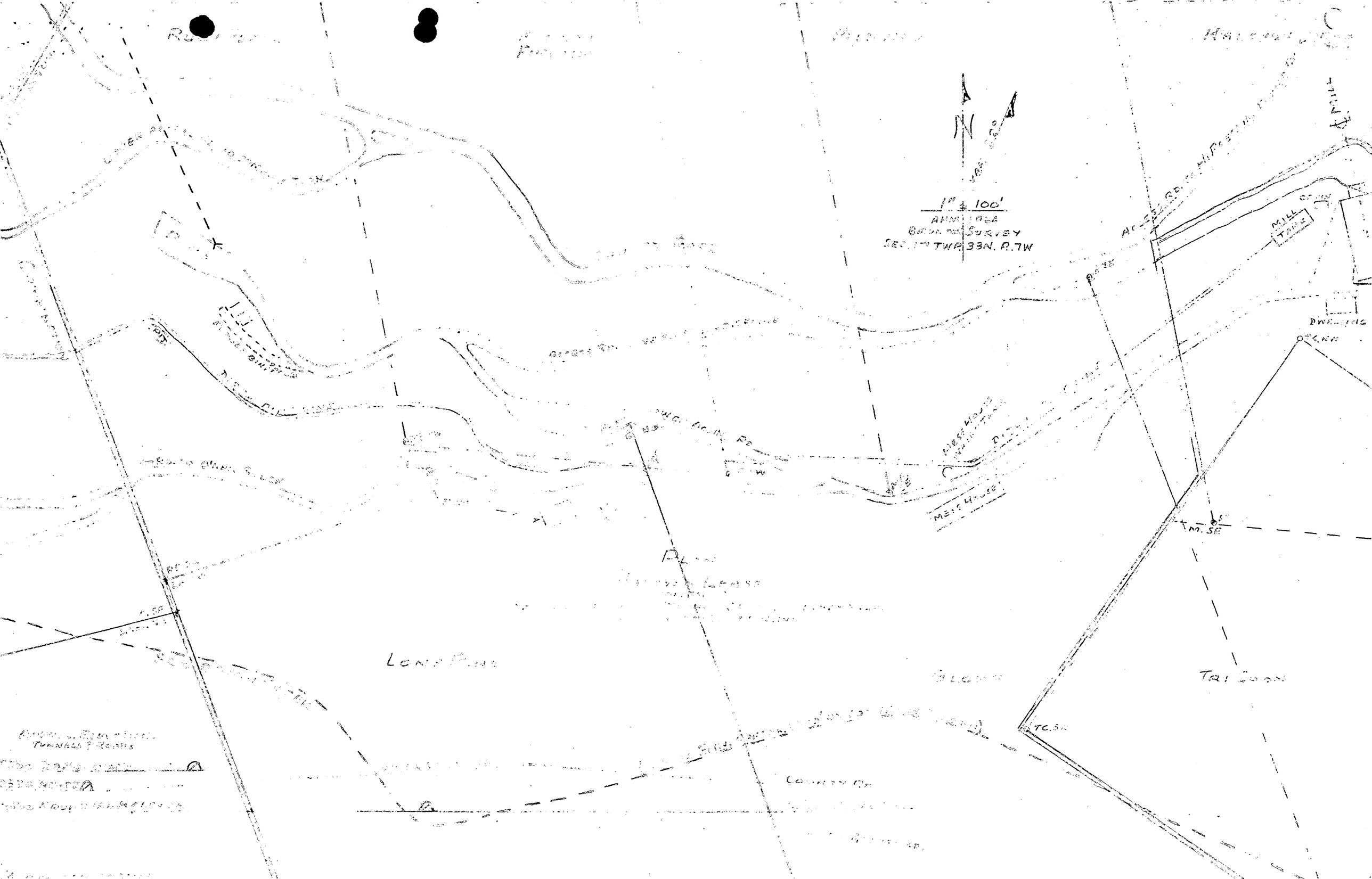
REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.


N
1" = 100'
ARMY ORCA
BROWN SURVEY
SEC. 17 TWP. 33N. R. 7W
MILL
TANK
DWELLINGS
OPENS
MESS HOUSE
M. SE
TC. SE
TAILSPAN
LENS PLANE
TUNNELS & ROOMS

E. M. Clark
Box 81
French Gulch, California
2/ 23/ 64

To - Austin Merrill
Halycon Mine
French Gulch, California

D 6 Caterpillar dozer work, grading out for tunnel ?
portal and building outlet road to mill, Feb. 4th.
to Feb. 15th. 46 hours @ $ 10.00 per hr., $ 469.00

Droscher truck transportation, 5 hrs. @15.00 hr. 75.00

Total $ 535.00

Sam Fox 7.5 x 20 150.00

685.00

JAN 1965
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION II

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. O.M.S. 6328
Contract No. 14-23-090-2179
Contract Amount $ 41,860.00
Gov't. Participation % 50 $ 20,930.00
Mineral(s) Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of February 1964

Operator's Name Austin H. Merrill
Address Halcyon Mine, French Gulch, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Preparing Adit Portal Site & Dump Area	600.00	--0--	600.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS $	600.00	--0--	600.00			

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

Date March 17, 1964 Payee Austin H. Merrill

Per Mrs Austin H. Merrill Title wife

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2179

Signature Paul V. Tillo Title Acting Field Officer Date March 27, 1964

Approved by OME Executive Officer or Alternate: OME Region IV

Signature Paul V. Tillo Title Acting Field Officer Date March 27, 1964

OPERATOR'S MONTHLY REPORT

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THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

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MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of February 1964 Docket No. O.M.E. 6328

Operator's Name Austin H. Merrill
Halcyon Mine, French Gulch, California
Contract No. 14-23-090- 2179

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Preparing Adit Portal Site Dump Area				600.00			600.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$ 600.00			600.00

REMARKS

The first phase of the contract workwas started February 5, 1964 in preparing the adit portal site and dumping area. The bulldozer work was completed February 22, 1964. The attached map shows the proposed portal site and dumping area.

(Continue on back)

REMARKS

(Continue on back)

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

Date March 17, 1964 Operator Austin H. Merrill

For Mrs Austin H Merrill Title wife

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Paul V. Tello

Title Acting Field Officer
OME Government Representative

Date Region II March 27, 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

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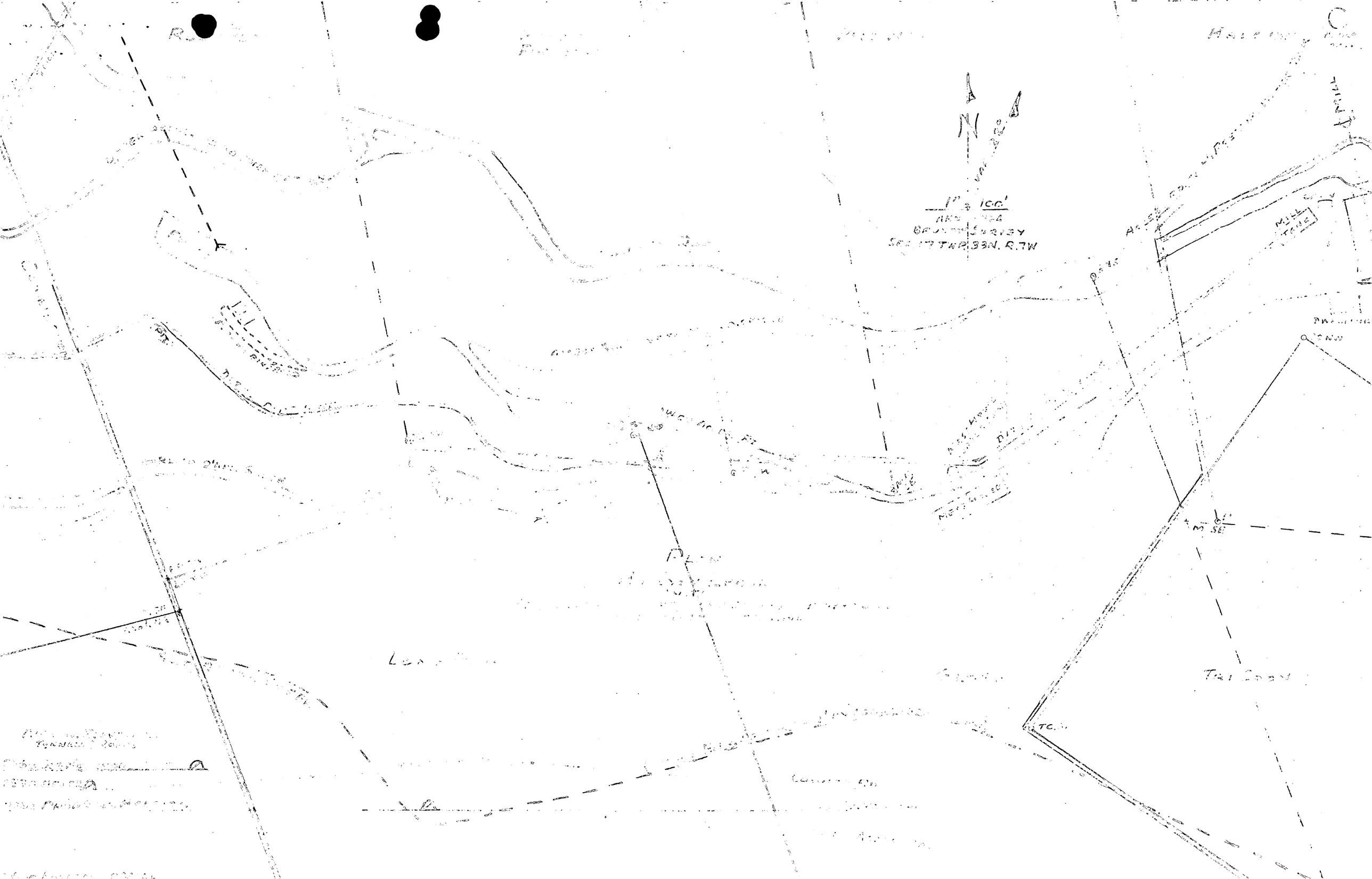
N
1" = 100'
GROUND SURVEY
SEC 17 TWP 33N. R.7W
MILL TOWER
TC

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. O.M.E. 6328
Contract No. 14-23-090-2179
Contract Amount $ 41,860.00
Gov't. Participation % 50 $ 20,930.00
Mineral(s) Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of February 1964

Operator's Name Austin H. Merrill
Address Halcyon Mine, French Gulch, California

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
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Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
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Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
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Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
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Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS $	600.00	--0--	600.00			

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

Date March 17, 1964 Payee Austin H. Merrill

Per Mrs Austin H Merrill Title Wife

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(INSTRUCTIONS ON REVERSE)

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

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2179

Signature Paul D. Zillo Title Acting Field Officer Date March 27, 1964

Approved by OME Executive Officer or Alternate:

Signature Paul D. Zillo Title Acting Field Officer Date March 27, 1964

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MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of February 1964 Docket No. O.M.E. 6328

Operator's Name Austin H. Merrill Contract No. 14-23-090-2179

Halcyon Mine, French Gulch, California

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Preparing Adit Portal Site Dump Area				600.00			600.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$ 600.00			600.00

REMARKS

The first phase of the contract work was started February 5, 1964 in preparing the adit portal site and dumping area. The bulldozer work was completed February 22, 1964. The attached map shows the proposed portal site and dumping area.

(Continue on back)

REMARKS

(Continue on back)

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

Date March 17, 1964 Operator Austin H. Merrill

Per Mrs. Austin H. Merrill Title wife

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Paul V. Tillo

Title Acting Field Officer OME Government Representative

Date Region II March 27 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27162

N
1" = 100'
SEC. 17 TWP. 33N. R.7W
MILL
TANK
DWELLING
M. SE
TOWN

CARR, KENNEDY & ASBILL
ATTORNEYS AT LA
1640 WEST STREE
POST OFFICE BOX 1819
REDDING, CALIFORNIA
TELEPHONE: 241-2432

ENDORSED
FILED
1964
ZENNIAN, Clerk
M. HISLOP
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SHASTA

Estate of AUSTIN H. MERRILL, Deceased.	No. 8946 ORDER ASSIGNING ESTATE

The petition of LAVINA MERRILL for an order assigning the entire estate of decedent to her came on regularly for hearing this day. On proof being made to the satisfaction of the court, the court finds that notice of the hearing has been given as required by law; that all of the allegations of the petition are true; that decedent died on February 26, 1964, and was then a resident of Shasta County, California; and that he left estate in the State of California, the net value of the whole of which over and above all liens and encumbrances at the time of death does not exceed the sum of $3500.00; that the expenses of the last illness, funeral charges and expenses of administration have been paid; that Lavina Merrill has not remarried and that she does not have other estate, including the total value of any property held in joint tenancy with decedent and of any homestead interest set apart to her out of decedent's estate under Section 660 or 661 of the California Probate Code, the net value of which, over and above all liens and encumbrances, exceeds the sum of $12,500; and that she is entitled to have the

entire estate assigned to her.

IT IS ORDERED that the entire estate of decedent, consisting of the following described property:

> All right, title and interest in and to that certain lease and option contract dated May 1, 1963 between Fred Lundberg, executor of the estate of J. H. Scott, deceased, and Thelma Scott of San Rafael, California, Lessors and Austin Merrill, Lessee;
>
> Right to reimbursement from United States Department of Interior, Office of Mineral Exploration under Contract #14-23-090-2179
>
> All right, title and interest of decedent in that certain contract with Department of Interior Office of Mineral Exploration, Docket #OME6328 Contract #14-23-090-2179

is assigned to and vested absolutely in Lavina Merrill, the surviving wife of the decedent, subject to all liens and encumbrances thereon.

IT IS FURTHER ORDERED that unless further estate not described above is discovered, no further proceedings shall be had in the administration of the estate of decedent.

Dated: November 16, 1964

DANIEL S. CARLTON

Judge of the Superior Court

This instrument is a correct copy of the original on file in this office.

ATTEST: DEC 4 1964

RICHARD C. FREEMAN

County Clerk and ex-officio Clerk of the Superior Court of the State of California in and for the County of Shasta

By _____ Deputy

Recorded Book _____ Page _____

CARR, KENNEDY & ABBILL
ATTORNEYS AT LAW
REDDING, CALIF.
CHESTNUT 1-2452

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	120
1/8	[illegible]	110
1	[illegible]	100
		220

January 8, 1965

Memorandum

To: Mails and Records Branch

From: George C. Selfridge, Chief
Division of Exploration Operations

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

As this contract has been rescinded, the docket can be placed in the inactive files.

George C. Selfridge

GCSelfridge/mm
cc: Director's Reading File
Docket
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

January 6, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 8 1965
INITIALS | CO. E
1-8 | 210
120 m
~~120~~
220

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al, Claims
Shasta County, Calif.
Contract No. 2179

Enclosed are the original and two copies of the Rescission Agreement properly executed by Mrs. Lavina Merrill. The remaining copies have been distributed in the usual manner.

Paul V. Fillo

Paul V. Fillo

Enclosures

cc:
Chief, Division of Field Operations, OME, Wash., D. C.

December 4, 1964

Memorandum

To: The Files

From: Chief, Division of Exploration Operations

Subject: Various dockets - Region II

On December 3 Mr. Fillo called the writer on one of his bi- to tri-weekly calls concerning various matters in Region II. The following items were discussed:

Mr. Fillo was not sure just what procedure should be followed concerning reporting on Equal Employment Opportunity under Government Contracts. The matter was discussed in detail, including the forms sent him on November 16, 1964, for monthly and quarterly reporting by the Washington Office.

Musgrave Mining Company, Inc., OME-6333 - Contract 2187

The Operator under the subject contract has asked Mr. Fillo if a raise cannot now be driven to the gravel as he was having a good deal of difficulty drilling long holes. These seem to plug the bits for some reason or other and it was costing, according to the Operator, about $10 a foot of hole. The long-holing was to be done to find the bottom of the channel. The Operator will try drilling with augers where the ground is soft enough.

Sonoma International, Inc., OME-6356 - Contract 2194

Mr. Fillo was not sure when royalties should be paid under the contract. He explained that the company has 45 men working and has sold about 150 flasks of mercury. The shaft area is pretty well caught up, but there is still some trouble with the cage being squeezed. The company has asked if it wouldn't be all right to sink a winze probably over the ore indicated by the former diamond drilling and then drift back to the shaft and raise rather than sink. Mr. Fillo has told the company to submit its request in writing. The writer informed Mr. Fillo that royalty is due on all production from the date of the contract. However, no royalty need be paid until the Government has participated in exploration costs. No voucher has been submitted to date. The writer also discussed with Mr. Fillo the importance of doing the exploration work at a satisfactory progress rate.

Original Sixteen to One Mine, Inc., OME-6355 - Contract 2197

The Operator requested that it be allowed to do the assaying as it could do it cheaper than commercial assay offices. The writer told Mr. Fillo it would require an amendment and the Operator should submit proposed costs supported by a justification.

Austin H. Merrill, OME-6328 - Contract 2179

Mr. Fillo wished to know about the $600 that had been expended for bulldozing at the property. He was told that actually no exploration work had been done and that the submittal of a voucher and payment thereof would entail a request for the return of the money unless the default under the contract was immediately cured and work undertaken.

Botts and Johnson, OME-6348 - Contract 2190

The matter of the depth of holes was discussed. The partnership plans on deepening the first three holes. The writer told Mr. Fillo that the Government would have to participate in the cost of the hole he stopped, and that holes requested and approved by him that neared 500 feet or more would require an amendment to the contract.

Western Copper Company, OME-6360

A representative of the Applicant has been in touch with Mr. Fillo and soon plans to submit a revised application.

George C. Selfridge

GCSelfridge/gla (12-4-64)
cc to: Director's Reading File
Mr. Selfridge
Dockets: OME-6333
OME-6356
OME-6355
OME-6328
OME-6348
OME-6360

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/1	Murphy	120 m
	Lindsay	130
	Fillers	800
12/1	Johnson	110
	[illegible]	100
"	[illegible]	220
		120 m

DEC 1 1964

AIRMAIL

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Exploration Operations

Subject: OME-6328 (Gold-Silver)
Austin N. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

Enclosed are the original and Region II copy of a self-explanatory letter to Mrs. Vine Merrill and also copies of the rescission agreement.

If you are in agreement with this action, please forward the letter and agreements to Mrs. Merrill. If you have any new information that could cause us to modify this action, please return all the copies to this office with your recommendations.

George C. Selfridge (GCS)

Enclosures

FMMurphy/mm (12/1/64)
cc: Directors Reading File
Review Committee
Docket

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/30	Murphy	120
11/30	[illegible]	200
	[illegible]	120
12/1	Johnson	110
	[illegible]	100
		220
		120

DEC 1 - 1964

Mrs. Vine Merrill
105 Bret Harte Avenue
Reno, Nevada

Re: CME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

Dear Mrs. Merrill:

We are enclosing the original and four copies of a Rescission of Exploration Contract to the cited contract which have been signed by the Acting Director for the Government. Will you kindly have all the copies signed by the executor or administrator of the estate of Mr. Merrill and return them to us with the exception of the copy marked "Operator's Copy."

We suggest this action as no actual exploration work was done under the contract; and it has been in default these many months, a condition which cannot be continued indefinitely.

If later on either you or Mr. Kimes wishes to complete the work outlined in the subject contract, a new application can be submitted. The application need not include the information requested in Items2 through 7. However, all the information requested in Item 1, Financial Eligibility, should be submitted.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosures

FMMurphy/mm (11/30/64)
cc: Director's Reading File
Region II
Docket

23263

DRAFT 11/20/64
FMMurphy/mm

EXPLORATION CONTRACT
AUSTIN H. MERRILL
OME-6328

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of _____, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Austin H. Merrill, parties to that certain Exploration Contract No. 14-23-0090-2197 (Docket No. OME-6328), dated January 22, 1964, hereinafter called the "Contract," that the Contract is hereby revoked, cancelled, and rescinded as of January 22, 1964, before any exploration work has been performed or any costs have been incurred thereunder, without any obligation 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 _____
Acting Director, Office of
Minerals Exploration

AUSTIN H. MERRILL ESTATE

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

October 13, 1964

10/19 CEF
10/20 7:44PM

800
120 m
+20

Mrs. Vine Merrill
105 Bret Harte Avenue
Reno, Nevada

Re: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., claims
Shasta County, Calif.
Contract No. 2179

Dear Mrs. Merrill;

This is to acknowledge your letter of October 8, 1964, as of this date we have not heard from your attorney, Mr. Carr, nor have we received any legal papers from the courthouse. Our Washington office is very much interested in closing out your contract. I would appreciate it if you could speed up Mr. Carr's reply and have the necessary legal papers mailed to this office.

Sincerely yours,

Paul V. Fillo
Acting Field Officer
OME, Region II

cc: Chief, Division of Field Operations, OME, Washington, D. C.

File
Day File

PVF:eml

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

450 Golden Gate Avenue, Box 36012
San Francisco, California, 94102

Memorandum

August 19, 1964

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

In reference to your letter of August 12, 1964 on the above subject contract, I was unable to get in touch with Mrs. Merrill but I did talk with her daughter, and she mentioned her mother is on a two weeks' vacation. She also stated that a decision will be made with an agreement with Mr. Kimes, as soon as Mr. Sheffey (attorney for the executor of the estate of J. H. Scott) returns to his office (2 weeks); he has been quite ill with a virus attack -- a hospital case.

It is hoped a decision by Mrs. Merrill will be made by September 1, 1964.

Paul V. Fillo
Paul V. Fillo

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 24 1964

DATE	INITIALS	CODE
8/24	[illegible]	800
8/25	[illegible]	120
		120

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
450 GOLDEN GATE AVENUE, BOX 36012
SAN FRANCISCO, CALIFORNIA, 94102

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 24 1964

DATE	MINERALS	CODE
		120
Date:	Aug. 12,	1964
		120M

1 cy. 130

Memorandum

To : Files

From : Acting Field Officer, Region II

Subject: Equal Employment Opportunity Under Government Contracts
OME-6328 (Gold, Silver)
Operator: Austin H. Merrill
Name of Property: Halcyon, et al., Claims
County-State: Shasta County, California
Contract No.: 2179

I have obtained the following information from my visit to the above mentioned operating project:

1. Number of all employees: 0
2. Number of women employees: 0
3. Number of Negro employees: 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.): 0
5. Was employment through a union? –
6. Distance to the closest union headquarters. Redding, Calif.
7. Are the discrimination posters prominently displayed? Yes
8. If employment was through a union, was the union furnished Standard Form 38? –
9. If employment was not through a union, in what manner was employment made? Solicited

Remarks: Acts of intimidation matters discussed with Mrs. Merrill.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/11	Murphy	120M
8/11	Talbot	800
	GCS	130
8/11	Johnson	110
		100
8/12	Cole	220
		120M

AUG 12 1964

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Exploration Operations

Subject: CME-6328 (Gold-Silver)
Austin N. Merrill
Balayou, et al., Claims
Shasta County, California
Contract 2179

Kindly advise the status of the subject contract. The last information in our file is your letter of April 9, 1964, to Mrs. Merrill.

George C. Selfridge (gla)

FMMurphy/mm
8/11/64
cc: Director's Reading File
Review Committee
Docket

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco, California, 94111

April 9, 1964

Mrs. Austin H. Merrill
c/o Halcyon Claims
French Gulch, California

Re: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., claims
Shasta County, California
Contract No. 2179

Dear Mrs. Merrill:

Our Washington office advised me that payment for work performed during February, by or for the account of the operator, can be paid only on a voucher signed by the executor or administrator of the estate of the deceased.

The enclosed MME Forms 60 and 61 should be accompanied by a copy of the letters testamentary or letters of administration issued by the probate court.

In answering to your inquiry over the 'phone of a couple of days ago, I suggest you write a letter explaining what your plans are in accepting the assignment of the contract and to submit, in duplicate, MME Form 40, Application for Financial Assistance in Minerals Exploration, also furnishing the information under Item I, and an assignment of the present lease.

Please let us know who will be handling the mining operation (foreman); and, if the information submitted is considered favorably, a new assignment of the subject contract will be prepared.

Sincerely yours,

PAUL V. FILLO

Paul V. Fillo
Acting Field Officer
OME, Region II

Enclosure Form MME 40
" " 60 and 61

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	GCS	130
3/31	Talbot	800
	Dwamel	500
3/31		130
"	Johnson	110
"		100
3/31	Cal	220
		500

MAR 31 1964

AIRMAIL

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

Enclosed are the original and two copies of the subject Operator's February 1964 MME Forms 60 and 61, which you approved on March 27 and submitted to the Department's Fiscal Section for certification for payment. These forms covered preparatory work and are signed by Mrs. Austin H. Merrill as "Wife".

The subject contract is with Austin H. Merrill as an individual and, according to the copy of a telegram attached to your memorandum of March 2, Mr. Merrill died on February 27. Therefore, payment for work performed during February by or for the account of the Operator can only be paid on a voucher signed by the executor or administrator of the estate of the deceased. The original of such MME Forms 60 and 61 should be accompanied by a copy of the letters testamentary or letters of administration issued by the probate court.

Furthermore, even after receipt of a properly executed voucher from the executor or administrator of the estate, it is suggested that approval for payment be withheld until actual exploration work has been performed either by the estate or an assignee thereof.

In reference to your inquiry of March 25, 1964, the subject contract can be assigned to Mr. Kimes if all parties concerned are agreeable. To accomplish this transaction, the estate of Mr. Merrill should request OME that the contract be assigned to Mr. Kimes. Mr. Kimes should indicate his interest in accepting the assignment of the contract and submit, in duplicate, MME Form 40 Application For Financial Assistance in Minerals Exploration, furnishing the information under Item 1 and either an assignment of the present lease or a new lease on the land. If favorable consideration results

23263

from the submitted data, we shall prepare the assignment of the subject contract.

George C. Selfridge

EDTalbert/GCSelfridge/ama/gla 3-31-64
cc: Docket
Director's Reading File
CA & A Division
Review Committee
Fiscal Section
Mr. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

Memorandum

March 25, 1964

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract No. 2179

DATE		
		100
3/31	FEJ	120
		120
3/31	[illegible]	800
		500

Interim Inspection

The property was inspected March 17, 1964. The operator has completed the preliminary phasing of bulldozer work in the preparation of an adit portal site and a dumping area, as authorized in the subject contract.

Please refer to my letter of March 2, 1964, as Mrs. Merrill is concerned as to the disposition of Mr. Merrill's contract.

During the inspection of the contract work, I talked with Mr. Sheffey, attorney for the executor of the estate of J. H. Scott, deceased, and a Mr. Kimes, who presently has a lease on the Washington mine which he is operating with three other men. Mr. Kimes is interested in securing and completing the contract work for Halcyon Mine. Mr. Kimes' lease on the Washington mine is with Mr. Sheffey.

Please advise if an arrangment of this type is feasible.

Paul V. Fillo
Paul V. Fillo

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

Re: OME-6328

The contract may be assigned, with Govt. approval, from the executor or administrator of Merrill's estate, provided assignees are acceptable to Govt.

However, if no work has been performed, rescission of the contract, followed by a new application and new contract would appear preferable.

Talbut
3/4/64

PS: Of course, also required is assignment of the lease or a new lease from the executor of the Scott estate.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 4 1964

DATE	INITIALS	CODE
3/4	March 2, 1964	800
		120
	Murphy	500
	Washington, D. C.	

Air Mail

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al,, claims
Shasta County, California
Contract No. 2179

Enclosed is a copy of a telegram advising me of the death of Austin Merrill on February 27, 1964.

A meeting is being planned for March 4, 1964, with Mr. Sheffey and Mr. Lundberg in regards to Mr. Merrill subject contract. It is possible Messrs Sheffey and Lundberg may ask, "Could the contract be transferred to their names and continue with the project?" If this is their approach, I will need your assistance for procedure and what is required.

After our meeting on Wednesday, I will have a decision as to what they have in mind and this will be forwarded to you immediately.

Paul V. Fillo

Enclosure

Paul V. Fillo

cc:
Chief, Division of Field Operations, OME, Washington, D. C

Hold answer till Fillo writes.
JMM.

CLASS OF SERVICE

This is a day message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SF-1201 (4-60)

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

1964 MAR 1 AM 11 36

1134A PST MAR 01 64 OA322

~~SSN234 0~~ RNA011 NL PD FRENCH GULCH CALIF 1

PAUL V FILLO, US DEPT OF INTERIOR

555 BATTERY ST SFRAN AS

TO NOTIFY YOU OF AUSTINS DEATH FEB 27TH FUNERAL SERVICES MONDAY

VINE MERRILL

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/19	Murphy	500
	[illegible]	120
2/19	[illegible]	110
	[illegible]	100
2/20	Cal	220
		500

AIRMAIL

FEB 2 [illegible]

Mr. David N. Skillings
Skillings' Mining Review
409 1st American National Bank Bldg.
Duluth 2, Minnesota

Re: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California
Contract 2179

Dear Mr. Skillings:

With reference to your letter of February 14, 1964, we have no photographs of the subject property.

I am sure that if you write the Operator, Mr. Austin H. Merrill, Halcyon Mine, French Gulch, California, he will be pleased to supply you with the photograph and the other information mentioned in your letter.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm (2/19/64)
cc: Director's Reading File
Region II w/cy of incoming ltr
Docket

23263

SKILLINGS' MINING REVIEW

409—1st AMERICAN NATIONAL BANK BUILDING • DULUTH 2, MINN. • RA 2-2310

PUBLISHED EVERY SATURDAY MORNING

February 14,1964

Office of Minerals Exploration
Department of the Interior
Washington, D.C. 20240

Gentlemen:

We are writing to ask if you have a photograph (black and white) of the Halcyon Mine in Shasta County, Calif. that you can send us. A few lines describing the scene and area for our caption would be most welcome also.

We appreciate whatever you may be able to do for us in this request.

Yours very truly,

David N. Skillings

David N. Skillings
Publisher

OME 6328

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 18 1964

DATE	INITIALS	CODE
	Murphy	500

UNITED STATES
DEPARTMENT of the INTERIOR

★ news release

OFFICE OF MINERALS EXPLORATION Dakan - 343-5348

For Release to PM's, FEBRUARY 12, 1964

AUSTIN H. MERRILL OF FRENCH GULCH, CALIFORNIA, TO EXPLORE FOR GOLD AND SILVER IN SHASTA COUNTY

The Office of Minerals Exploration has contracted to assist Austin H. Merrill of French Gulch, California, to explore for gold and silver at the Halcyon Mine in Shasta County, California, the Department of the Interior announced today. Total cost of the work is estimated at $41,860, of which the Government participation is $20,980.

The contract authorizes crosscutting and drifting for gold- and silver-bearing ore bodies in veins along a thrust fault contact. Mr. Merrill has been active in mining operations in this vicinity since 1937.

Under the exploration assistance program the OME participates in the cost of exploration for 35 mineral commodities. Funds provided by the Government are repaid by a royalty on production.

Additional information and application forms for OME assistance in California and Nevada may be obtained from the OME - Region II - 113 Custom House, 555 Battery Street, San Francisco, California 94111.

Other areas are covered by the following offices:

OME - Region I - South 157 Howard Street, Spokane, Washington 99204;

OME - Region III - Building 20, Denver Federal Center, Denver, Colorado 80225;

OME - Region IV - Room 11, Post Office Building, Knoxville, Tennessee 37902;

The Office of Minerals Exploration, Department of the Interior, Washington, D. C. 20240.

x x x

P.N. 41690-64

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

Memorandum January 30, 1964

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., claims
Shasta County, California

Enclosed are the Government's, Fiscal Section's, and Audit's signed copies of the subject contract executed by the operator.

Paul V. Fillo
Paul V. Fillo

Enclosures

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 3 1964

DATE	INITIALS	CODE
2/3	[illegible]	500

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1964
DATE CODE
~~200~~
500

JAN 30 2 08 PM '64
GSA-REGION 3
U.S.
COMMUNICATIONS

XDXXXXXXK079

FWB-027 WWAF FSFF 8 I-BOM

SAN FRANCISCO CALIF 1-30-64 1049U

MR GEORGE FUMICH, JR., ACTING DIR

OFFICE OF MINERALS EXPLORATION DEPT OF THE INTERIOR WASHINGTON DC

RECEIVED SIGNED CONTRACT FROM AUSTIN H. MERRILL, AN INDIVIDUAL, CONTRACT 2179.

PAUL V. FILLO

2179

MAV 1050U

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/20	Murphy	500
1/21	Talbot	800
	[illegible]	130
1/21	Johnson	110
9	Fink	100
1/22	Cole	220
		500

JAN 22 1964

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OMK-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

Enclosed are the original and four copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (2 pages), 1 Lien or Subordination Agreement, Exhibit A (2 pages), Exhibit B (1 page), and one map (Figure 2). An extra copy of the contract is also enclosed for field use. All copies have been signed by the Acting Director for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant 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.

George C. Selfridge (glc)

Enclosures

MMerrithew/mm (1/20/64)
cc: Director's Reading File
Review Committee
Docket

43683

HALCYON MINE
French Gulch, California

U.S.Dept.of the Interior
Office of Minerals Exploration
Washington 25 D.C.

Jan.14,1964.

Re: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon,et al.,Claims
Shasta County, Calif.

Mr. George Fumich Jr.,Director;

Dear Sir;

In further reply to your letter of Dec.24,1963. With the help of Mr.Paul V. Fillo,I attempted to cover and comply with your letter last week at San Francisco. What we considered the salient documentation asked for in your letter was delivered to Mr.Fillo last wednesday and forwarded to you by him.

Mr.Fillo and I agreed that a complete interpretation of 'foot note 2 ' of the MME Form 52 could include the Book and Page of the recorded Lease and Option Contract,itself.

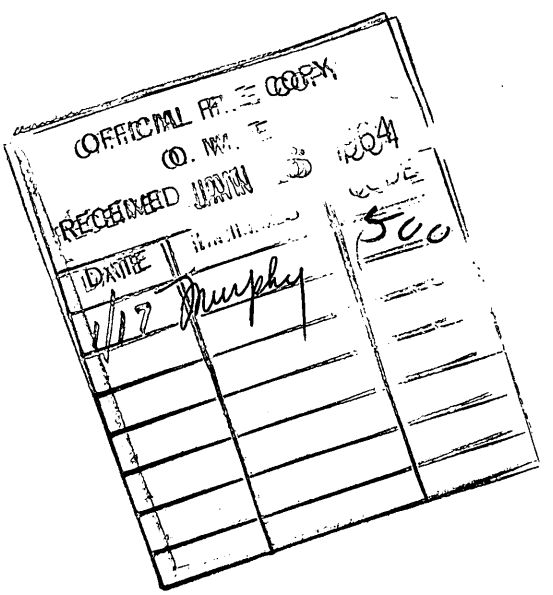
Therefore,upon my return to Redding,I had the document (which was forwarded to you last week) recorded and submit herewith ~~to~~ photostats of the first and last pages thereof showing date of recording in the Official Records of Shasta County with Book and Page-the page sequence being contuious from page 538 through 548 in Book 771.

Trusting that I have answered your letter satisfactorily I remain,

Sincerely yours,

Austin H. Merrill

cc P.V.Fillo.



RECORDED AT REQUEST OF
Austin Merrill
at 2 min. past 12 P M
Date JAN 13 1964 Fee $ 10.00

Volume 771 Page 538
OFFICIAL RECORDS
SHASTA COUNTY, CALIF.
Mildred Montgomery
Recorder

LEASE AND OPTION CONTRACT

THIS INDENTURE made this 1st day of May, 1963, between FRED LUNDBERG, executor of the estate of J. H. SCOTT, deceased, and THELMA SCOTT of San Rafael, California (hereinafter called LESSOR), and AUSTIN MERRILL of Redding, California (hereinafter called LESSEE) --

w i t n e s s e t h;

WHEREAS, said LESSOR, for and in consideration of the rents and royalties and the covenants and agreements on the part of LESSEE to be kept and performed as hereinafter specified, has leased and by these presents does lease unto said LESSEE, and said LESSEE hereby hires and takes on the right, title and interest of LESSOR in and to all those certain mines, mining claims, mining property, water rights and ditches and all rights appertaining thereto, commonly known as and called:

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December, 1941;

GLOBE QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, Shasta County, Page 56, on the 22nd day of December, 1941;

LONE PINE QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, Page 52, Shasta County Records, December 22, 1941;

excepting from said HALCYON claim all of the land thereof to the South of the county road crossing said mining claims. The purpose of this reservation is to except the mill and cabins

STATE OF CALIFORNIA, } ss.
County of Shasta

On this 13th day of January in the year one thousand nine hundred and sixty-four, before me BESSIE M. ROBINSON, a Notary Public in and for the County of Shasta, State of California, residing therein, duly commissioned and sworn, personally appeared AUSTIN H. MERRILL known to me to be the person whose name is subscribed to the within instrument as a witness thereto, who, being by me duly sworn deposed and said: that he resides in County of Shasta State of California; that he was present and saw FRED LUNDBERG and THELMA SCOTT (personally known to him to be the persons described in, and who executed the said within instrument as parties thereto), sign, seal and deliver the same; that the said FRED LUNDBERG and THELMA SCOTT duly acknowledged in the presence of said affiant, that they executed the same and that he, the said affiant, thereupon, and at the request of said FRED LUNDBERG and THELMA SCOTT, subscribed his name as a witness thereto.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Shasta the day and year in this certificate first above written.

Bessie M. Robinson

Notary Public in and for the County of Shasta State of California.
My Commission Expires Oct. 16, 1967

BESSIE M. ROBINSON, NOTARY PUBLIC
SHASTA CO., CALIF.

Cowdery's Form No. 46 (Acknowledgment—Witness).
(C. C. Secs. 1195-1197, C. C. P. Sec. 1935)

State of California } ss.
COUNTY OF SHASTA

On this 13th day of January A. D. 19 64 before me BESSIE M. ROBINSON, a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared AUSTIN H. MERRILL

known to me to be the person whose name is subscribed to the within Instrument and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

Bessie M. Robinson
BESSIE M. ROBINSON
Notary Public in and for said County and State of California.

BESSIE M. ROBINSON, NOTARY PUBLIC
SHASTA CO., CALIF.

MY COMMISSION EXPIRES OCTOBER 16, 1967

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

OFFICIAL FILE COPY
C. M. E
RECEIVED JAN 10 1964

DATE	INITIALS	CODE
1/10/64	Murphy	500

AIR MAIL

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

January 8, 1964

Reference to a copy of a letter dated December 24, 1963, from the Acting Director to the subject applicant, we are enclosing the following documents required to further process the above application:

5 copies of "Lien & Subordination Agreement"

1 copy "Last Will and Testament of James H. Scott"

1 copy "Order Authorizing Lease and Option Agreement" signed by Judge Thomas S. Keating

1 copy "New Lease and Option Contract to Austin H. Merrill" signed by Fred Lundberg and Thelma Scott

The new Lease and Option Agreement was written in order to consolidate all the claims under one contract.

Paul V. Fillo

Paul V. Fillo

Enclosures
cc:
Chief, Division of Field Operations, OME, Washington, D. C.

HALCYON MINE
French Gulch, California

Jan.3,1964.

U.S.Dept.of the Interior,
Office of Minerals Exploration,
Washington 25 D.C.

Re: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon,et al.,Claims
Shasta County,Calif.

Mr. George Fumich Jr.,Director;
Dear Sir;

Your letter,dated Dec.24,1963 and postmarked that day, was received by the undersigned yesterday.

I will be in San Francisco Monday or Tuesday of next week and trust that I can have these matters arrangedd in a satisfactory manner with the documents mailed to youf office direct,or through Mr. Paul V. Fillo,with whom I will consult.

The new MME Form 52,which you sent,will be used.

Sincerely yours,

Austin H. Merrill

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 7 1964
DATE | INITIALS | CODE
Murphy 500

OFFICIAL FILE COPY

Date	Surname	Code
12/23	Selfridge	120
12/23	Murphy	500
"	On leave	800
"	On leave	110
"	[illegible]	100
12/24	Cae	220
		500

DEC 24 1963

Mr. Austin H. Merrill
Halcyon Mine
French Gulch, California

Re: OMR-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

Dear Mr. Merrill:

Questions have arisen concerning the validity of your lease in that does it cover the entire interest in the property under consideration? The lease is not signed by Thelma Scott nor do we have any information concerning her relationship to the deceased J. H. Scott. If Mr. Fred Lundberg is authorized to act on behalf of Thelma Scott, we should have a document authorizing such action.

The same is true for the Lien and Subordination Agreements signed by Mr. Lundberg as Executor. Mr. Lundberg should have signed the Lien and Subordination Agreements on the back of the form. Enclosed are six copies of the form "Lien or Subordination Agreement" which should be executed in the proper manner and returned to us in quintuplicate.

The submission of the requested material should not be construed as an assurance that a contract will be granted.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosures

GCSelfridge/gla (12-23-63)
cc to: Director's Reading File
Docket
Region II (
Mr. Selfridge

23263

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

IN REPLY REFER TO:

December 20, 1963

Memorandum

To: Acting Director
Office of Minerals Exploration

From: Assistant Solicitor
Branch of Mineral Defense Activities

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al.; Claims
Shasta County, California

We are unable to approve the subject contract for the following reasons:

1. The Operator purports to be in possession of the property pursuant to a lease dated May 1, 1963 from ". . . Fred Lundberg, executor of the estate of J. H. Scott, deceased, and Thelma Scott of San Rafael, California . . ." The lease has been executed by Fred Lundberg. There is no indication of Thelma Scott's relationship (spouse, sister, etc.) to the deceased J. H. Scott. Also, there is no indication that Fred Lundberg is authorized to act on behalf of Thelma Scott. Accordingly, we are unable to determine whether or not the Operator has a valid lease of the entire interest.

2. Since the Lien and Subordination Agreement has been executed by Fred E. Lundberg as executor of the estate of James H. Scott, the identical questions set forth in No. 1 above exist. Furthermore, Mr. Lundberg has not signed the lien agreement in the proper place on the last page thereof, but rather he has signed on the first page thereof. This could give rise to some questions as to the applicability of the paragraphs which follow his signature. We recommend he execute the document in the proper blank.

3. The special "Agreement Concerning Royalty" in Annex I of the contract apparently has a paragraph relating to transportation charges missing.

Robert W. Long
Robert W. Long
Assistant Solicitor
Branch of Mineral Defense Activities

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco, California, 94111

Air Mail

December 12, 1963

Memorandum

RECEIVED DEC 13 1963

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., claims
Shasta County, California

Enclosed are five copies of Lien and Subordination Agreements that should be attached to the above subject application for further processing.

Paul V. Fillo

Paul V. Fillo

Enclosure

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

Mr. Long:
Does the Executor also act for Thelma Scott in this case? If not we will mail contract subject to attachment of agreement signed by her.

Murphy

ANNEX

LEGAL DESCRIPTION OF THE LAND INVOLVED IN LEASE

MIDWAY GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

MIDWAY FRACTION QUARTZ MINING CLAIM, the notice of location being recorded in Volume 186, Official Records, page 127, on the 16th day of January 1942;

RUBY PEARL GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 53, Shasta County Records, on the 22nd day of December 1941;

HALCYON GOLD QUARTZ MINING CLAIM, the amended notice of location being recorded in Volume 186, Official Records, page 54, Shasta County Records, on the 22nd day of December 1941;

LONE PINE GOLD QUARTZ MINE located on the 14th of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 402, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 52, Dec. 22, 1941. Shasta County California.

GLOBE GOLD QUARTZ MINE located on the 14th day of October, 1926 by W. C. Blagrave and C. C. Fox; notice of location was recorded in Book 41, Miscellaneous Records, Page 403, recorded on February 5, 1927. Amended notice recorded in Book 186, Page 56, Dec. 22, 1941. Shasta County California.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of SHASTA, State of CALIFORNIA, described ~~as follows~~: 2/ In a lease dated May 1, 1963. (See Annex) For legal description

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

AUSTIN H. MERRILL 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

NONE

ESTATE OF JAMES H. SCOTT

Fred E. Lundberg

Fred E. Lundberg
Executor

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions ____ Annex ____ (State "None" or "See Annex No.____".)

Dated this 9 day of December, 19 63.

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

_____ (Street)
(City &)
_____ (Seal) _____ (State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

INT.-DUP. SEC., WASH., D.C. 21103

Draft 12/12/63
Murphy/mm

~~800~~
~~120~~
500

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6328	Gold-Silver	14-23-090-	Shasta	California

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Austin H. Merrill, an individual

,

whose mailing address is **Halcyon Mine, French Gulch, California**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **18** 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 work is $**41,860.00** The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ **20,930.00** in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) 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 rights in land.--(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 right 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:

See Annex I

(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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

Transportation allowance

Yes.
JAM

(c) The Operator shall preserve and maintain his right, title, or 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 royalty on production and liens for the payment thereof. Two true 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, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws 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 production operations during the period that royalty is payable to the Government. 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. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 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 the Government determines that 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 preparation or completion of same 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 mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the Operator's gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" 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.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

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 royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 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. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

Title _____

By Palmer N. Sabers

ACTING DIRECTOR

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION CONTRACT
AUSTIN H. MERRILL
OME-6328

ANNEX I

The land referred to in Article 2 of the contract consists of six (6) unpatented lode mining claims, including all mining rights pertaining thereto, excepting those noted below, in sec. 17, T. 33 N., R. 7 W. Mt Diablo Meridian, Deadwood mining district, Shasta County, California.

The claims are recorded in Shasta County offices, Redding, California, as follows:

Claims	Book	Page
Lone Pine	186	52
Midway	186	53
Ruby Pearl	186	53
Halcyon	186	54
Globe	186	56
Midway Fraction	186	127

The Operator has rights to the claims under the terms of a Lease and Option contract, dated May 1, 1963, granted by Fred Lundberg, executor of the estate of J. H. Scott, deceased, and Thelma Scott. The lease excepts certain land, surface rights, buildings, and water rights.

A Lien and Subordination Agreements executed by Fred Lundberg ~~and Thelma Scott~~ ~~are~~ is attached hereto and made part hereof.

The outer boundary of the claim group is shown in green on map Figure 2, entitled, "Plan of Exploratory Program and Claim Map," attached hereto and made part hereof. On the Halcyon claim the area south of the "County Road" shown on Figure 2 is excluded.

A special "Agreement Concerning Royalty" is added as follows:

Notwithstanding the certification provisions of Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or his successor, shall pay to the Government a royalty on any production, regardless of origin, that is transported through any new workings to the cost of which the Government has contributed, or any portion of said workings, for the same period ~~EX~~ as is described in Article 6(b)(2) of the contract and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid on the same production.

EXPLORATION CONTRACT
AUSTIN H. MERRILL
OME-6328

EXHIBIT A

The purpose of this project is to explore, by driving a crosscut adit and drifting therefrom, for gold and silver-bearing ore bodies in quartz and quartz-calcite veins along the thrust contact below the Paleozoic Bragdon formation.

General Provisions

All significantly mineralized areas traversed by the adit and drifts shall be sampled by cutting channels normal to the ~~strike~~ trend of the deposit at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. Each sample shall be split as necessary and then assayed for gold and silver. The Operator shall store one split of each sample in a suitable container for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps should show the location and value of the samples and the general geological formations and structures traversed by the adit and drifts.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

No work under this contract shall be performed closer than 100 feet to the outer boundary of the project area.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

At a central point approximately 370 feet north of the south end line and 120 feet east of the west side line of the Ruby Pear claim, excavate a portal site and prepare a dumping area. From the portal site, drive an adit northerly and approximately parallel to the west side line of ~~the Ruby~~ claim for an estimated distance of 500 feet or until it traverses the two vein structures indicated on map Figure 2, referred to in Annex I.

If significant mineralization is disclosed in the adit, then with Government approval an aggregate of 500 feet of drifting, and any necessary attendant crosscutting, to the east of the adit may be performed on one or both vein structures,

The adit, drifts, and crosscuts, shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber.

Estimated Costs of the Work

Fixed Unit Costs

Excavation of adit portal site and preparation of dump area 1/	$600.00
500 feet of adit @ $37.76/ft.	18,880.00
500 feet of drifting @ $37.76/ft.	18,880.00
100 sample assays for gold and silver @ $5.00/sample	500.00
500 feet of timbering in adit, drifts, and crosscuts @ $6.00/ft.	3,000.00
Total Estimated Cost of the Work	$41,860.00
Government Participation @ 50%	$20,930.00

1/ The completed job is the unit of work and includes such costs as surveying, supervision, bulldozing, etc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 10 1963
DATE INITIALS
12/12 Murphy 500

December 7, 1963

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME 6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

Reference to your memorandum of November 27, 1963, the signed copies of Lien and Subordination Agreements will be mailed from here on or about December 10, 1963.

The formality of getting the approval from the Probate Court is scheduled for December 9, 1963.

Paul V. Fillo

Paul V. Fillo

cc:
Chief, Division of Field Operations, OME, Washington, D. C

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/27	Murphy	500
11/27	Ondeare	500
11/27	Fallin	800
	GCS	130
11/27	Johnson	110
	Ferrell	100
11/27	JB	220
		500

NOV 27 1963

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

With reference to your memoranda of November 1 and November 18, 1963, we have not received copies of the Lien and Subordination Agreement mentioned. Please advise the approximate date we may expect to receive these copies.

George C. Selfridge (gla)

FMMurphy/mm
11/27/63
cc: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

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O. M. E
RECEIVED NOV 26 1963

DATE	INITIALS	CODE
		~~120~~ 500

Memorandum

November 18, 1963

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon et. al., Claims
Shasta County, California

Enclosed are the original and two copies of the Report of Examination on the above subject examined by the Acting Field Officer on October 27, 1963.

The report recommends approval of the application to explore laterally the two-quartz veins that are exposed on the adjoining property to the west.

The structural conditions indicate an exploration program warrants Government's assistance.

The program would cost a total of $41,865.00, and the Government's assistance at 50 per cent would cost $20,932.50.

Augusta Nealon
For: Paul V. Fillo

Enclosures

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

by

ACTING FIELD OFFICER, REGION II

APPLICATION REPORT

OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon et al., claims
Shasta County, California

FIELD
EXAM. REPT.

By

Paul V. Fillo
Acting Field Officer
Office of Minerals Exploration
Region II

November 18, 1963

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I L L U S T R A T I O N S

Figure 1. ---------- Location map

Figure 2. ---------- Composite map of exploratory program and claim map

INTRODUCTION

Mr. Austin H. Merrill, French Gulch, California, on October 15, 1963, applied to the Office of Minerals Exploration for assistance to explore for gold on the projected veins from the Wertz property joining the Halcyon property on the west, and the Washington quartz veins to the east of the property. The property is located in French Gulch, Deadwood Mining District, west of Redding, California, near the boundary line of Shasta and Trinity counties, California.

A field examination was made by Paul V. Fillo, Acting Field Officer, OME, Region II, on October 27, 1963, accompanied by the applicant, Austin H. Merrill. The applicant's maps included with his application and also the maps at his mine office were examined carefully and compared with the geologic exposures of the underground of the mine adjoining the property to the west (Wertz's mine). Samples were taken of the two quartz-calcite fissure veins exposed in the shale and slate of Wertz property.

SUMMARY

The gold deposits occur in steeply dipping quartz and quartz-calcite fissure veins in the Bragdon formation that consisted of shale, siltstone, sandstone, and conglomerate.

The mineral composition of the veins showed quartz as the chief gangue mineral. Pyrite, galena, sphalerite, and arsenopyrite are the sulfide minerals. Gold is in the sulfide minerals, but it also occurs as free gold. It has been reported the gold mineralization forms along the contacts

between the veins and black slickensided graphitic shale.

The applicant proposes to explore the two veins that can be projected from the Wertz property on the west by cutting these veins with 500 feet crosscut and 250 feet of drift on each of the veins in a northeasterly direction. Bulldozing will be required in preparing the adit portal and dumping area.

RECOMMENDATIONS

The program of exploring the projected veins from the adjoining property, as well as the main Washington vein on the east, appears reasonably to justify a contract. I recommend the Government to enter into an OME contract with Austin H. Merrill, to provide 50 per cent of the cost of a program which consists of:

500 feet of crosscutting
500 feet of drifting
40 hours of bulldozing in preparing adit portal and mine dump facilities

The total cost is estimated to be about $41,865.00 of which the Government's share at 50 per cent will be $20,932.50.

Twelve months will be required to complete the contract. To facilitate administration of the contract, the work should be based on cost per foot.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Halcyon property is located approximately 3.2 miles west of French Gulch, California, the nearest settlement (Fig. 1). The property is located in French Gulch, Deadwood Mining District in sec. 17, T. 34 N., R. 7 W., MDB&M, Shasta County, California. The property may be reached

from French Gulch by traveling west three miles on French Gulch Creek road to Washington Mill thence take left fork dirt road and travel .3 miles to the Halcyon property. Experience mine labor and supplies are available in Redding, California, about 23 miles east of French Gulch. Southern Pacific rail facilities are also available at Redding.

The prevailing daily wages for miners are about $22.00. The electric power is provided by Pacific Gas and Electric Company, and living accommodations are available on the property within walking distance of the proposed adit portal. Winter operation in the area is sometimes impeded and access may be difficult because of snow, but year-round operation is considered feasible.

PROPERTY[1/]

History and Production

A short adit of about 260 feet was driven in 1942 by the Washington Mining Co. on the Ruby Pearl claim. The adit intersected the junction of a quartz vein and thrust fault. The fault was followed for about 100 feet when the Company decided the ground was too expensive in timbering and in maintaining and the efforts were unproductive in following the fault. The property was closed down when Law L 208 went into effect. An error in surveying found the portal of the adit to be on the adjoining property. Presently the adit caved and inaccessible. Before the mine closed down, 10 tons of faulted vein material was treated in amalgamation and flotation mill and a recovery of $33.48 per ton was made.

1/ Merrill, A. H. (applicant's) report

Ownership

The property consists of six unpatented mining lode claims, which Austin H. Merrill has under lease and be subjected to Government royalty. Those listed in the application with recording information in Shasta County offices, Redding, California, are as follows:

Unpatented Claims	Book	Page
Lone Pine	186	52
Midway	186	53
Ruby Pearl	186	53
Halcyon	186	54 & excluded land pg 40 of 102486
Globe	186	56
Midway Fraction	186	127

The above unpatented mining claims are held by Fred Lundberg as executor of the estate of J. H. Scott, deceased, and Thelma Scott of San Rafael, California.

Financial Eligibility

The applicant has submitted evidence accompanying the original application that he was unsuccessful in securing a loan for exploration purposes from the banking institutions. He proposes to finance his share with assistance from two friends if required.

Mine Development

The property has an adit of about 260 feet but is caved and inaccessible. The applicant has records of the adit intersecting the junction of a vein and thrust fault. The fault was followed for a short distance and then the work was abandoned.

The existing buildings on the property are available to accommodate a six-men crew and a mine office. The surface equipment the applicant has accessed to includes 50-ton amalgamation-flotation-concentrate mill, and the

necessary drilling equipment, supplies, and accessories to advance a heading, mine cars, blacksmith equipment, air hoist, and small tools are also available. A 125 c.f.m. compressor will be rented for the first part of the project; at a later date a larger compressor will be substituted.

GEOLOGY[2]

Geological Setting

The geological horizon of the Halcyon property is comprised of shale, siltstone, conglomerate, and known as the Bragdon formation which overlies the volcanic rocks of the Copley and Balaklala formations. The stratigraphic sequence of the formations are Copley greenstone, Balaklala rhyolite, Kenneth formation, Bragdon formation, Shasta Bally batholith. The Bragdon formation is subdivided into a lower unit of shale and siltstone and an upper unit in which sandstone and conglomerate are as abundant as shale.

The Paleozonic rocks are intruded by the Shasta Bally batholith forming numerous dikes and sills of "birdseye" porphyry. Records show more productive gold deposits are in this zone. The "birdseye" porphyry rocks, as used in this area, range from nonquartz diorite porphyry to highly silicic quartz porphyry. The geometry of the arch is irregular which is due to a series of faulting and to the Bragdon formation which was folded before the arch was formed.

Ore Deposits

There are two types of gold deposits in the area, (type 1) gentle dipping quartz and quartz-calcite veins along the thrust contact below

---

2/ Albers, J. P., Gold Deposits in the French Gulch-Deadwood District, Shasta and Trinity Counties, California, USGS Art. 147 Prof. Paper 424-C. 1961

the Bragdon formation, and (type 2) is of steeply dipping quartz and quartz-calcite fissure veins in Bragdon formation. The "Birdseye" porphyry intrusives are associated with both types. The gold production from the Washington mine was of type 1 vein origin. Type 2 vein was mined at the American Gladstone, Brown Bear, and the Niagara mines. Most of the gold deposits of type 2 vein made at the intersections of veins with opposing dips or at the intersection of veins with contacts between shale and porphyry. Quartz is the chief gangue mineral, the sulfide minerals present are pyrite, galena, sphalerite, and arsenopyrite. Gold is the sulfide minerals and also as native gold. It has been reported that most of the gold in the area forms along the contacts between the veins and black slickensided graphitic shale or associated with inclusions of graphitic shale in the vein.

Sampling

Three samples were taken of the two veins on Wertz property adjoining the Halcyon property with assay results as shown below:

Sample No.		Description	Ounces Au	Ounces Ag
15357	3 ft.	character sample of 1st vein in Wertz mine	0.020	0.2
15358	6 1/2 ft.	Chip sample of 2nd vein in Wertz mine	0.010	0.1
15359	6 ft.	Chip sample of x-cut in Wertz mine	0.195	0.2

Ore Reserves

There is no reserve tonnage of gold ore, or minable gold ore exposed.

EXPLORATION

The applicant proposed exploratory project consisted of 500 feet of crosscutting and 500 feet of drifting on two different veins.

The proposed division of this work is as follows:

40 hours of bulldozing at $12.00 per hour.....	$ 480.00
supervising, surveying one-quarter of $500.....	125.00
500 feet of crosscutting at $37.76 per foot.....	18,880.00
500 feet of drifting at $37.76 per foot.....	18,880.00
~~100 fee~~ 100 samples assayed for gold and silver ~~$2.50~~ $5.00 per sample.....	500.00
500 feet of timbering in drifts and crosscut $6.00 per foot.....	3,000.00
	$41,865.00

Excavation of Portal site and preparing dump area

The applicant's estimated costs for crosscutting and drifting appears to be satisfactory with our present cost structure. The applicant's cost estimate was calculated on straight footage basis for the miners. The applicant proposes to work on single-shift basis, five days a week.

The entirety of the exploratory program is to intersect two veins which are projected from the adjoining property (Wertz) and drift along the veins in a northesterly direction toward the Washington mine where more than a million dollars were produced. The applicant states that the work could be started within thirty days upon the signing of the contract and be completed within twelve months from the date of the approval of the exploration contract.

Cost Estimate

The examiner has checked the applicant's cost estimate and found them to be satisfactory in warranting a Government contract.

	Per Foot
Labor (1000 feet of crosscutting and drifting) 3 men at $2.75/hr., 5 days/week.....	$18.85
Supplies:	
Powder, fuse, detonator.....	3.00
Mine rail ($1.45 x 1/2).....	.73
Air line 2 in., waterline 1 in. (.90 x 1/2)...	.45
Ventube 18 in. ($2.50 x 1/2).....	1.25
Steel and bits.....	1.00
Small tools.....	.50
Services - Elective power:	
Compressor, fan, battery charging.....	.50
Supervision:	
Technical - Accounting $500.00/mo.....	6.49
Workmen's compensation insurance	
Social Security, taxes - 14%.....	2.04
Miscellaneous items.....	1.15
Equipment depreciation.....	1.80
Total cost per foot	$37.76

2 Airleg, drills and hose....	$1,500
1 Mucking machine.....	2,300
5 Mine cars.....	600
1 Motor and fan.....	1,000
1 Air compressor.....	2,100
1 Ton pick-up truck.....	1,500
	$9,000

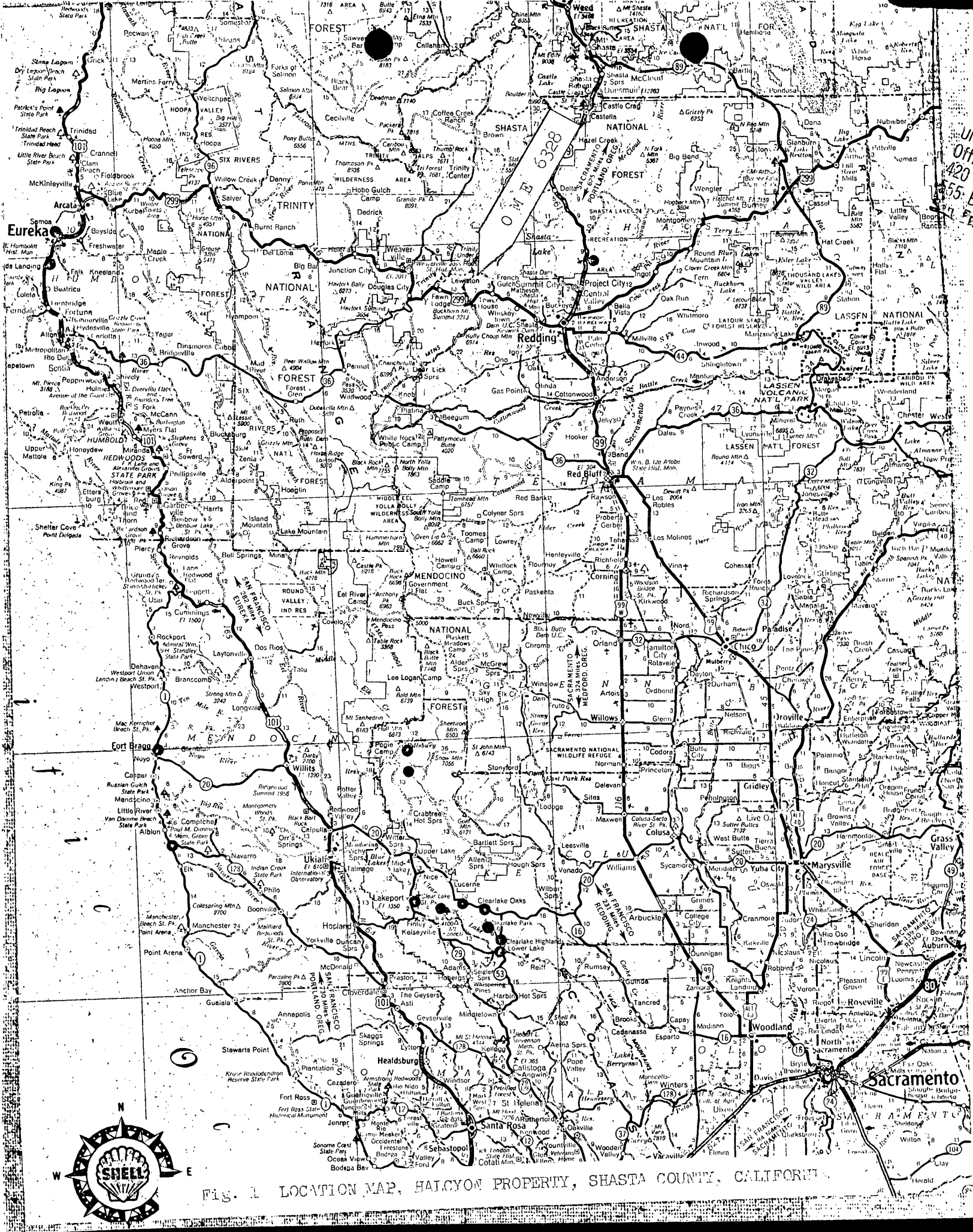


Fig. 1 LOCATION MAP, HALCYON PROPERTY, SHASTA COUNTY, CALIFORNIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco, California, 94111

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 4 1963

November 1, 1963

DATE		
11/6	Murphy	120 500

Memorandum

To : Chief, Division of Field Operations, OME, Washington, D. C.

From : Acting Field Officer, OME, Region II

Subject: OME-6328 (Gold, Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

Accompanied by the applicant, Austin H. Merrill, the subject property was examined October 27, 1963, and a favorable report will be considered. The two veins on the adjoining Wertz property (on the west) were examined and samples were taken at headings. The "I" level of the Washington mine, located about 1,000 feet east of the subject property was walked approximately 1,500 feet to inspect the main Washington vein and the last stoping operation.

The Washington vein appeared to be strong and continuous. The applicant proposes to start a new crosscut, 100 feet east of the Ruby Pearl sideline and to drive about 500 feet in northwesterly direction in hopes of locating the two veins projected from the Wertz mine. This same projection may very well be the Washington main and split vein, as shown in the application.

The applicant also proposes to explore the veins by driving 250-foot drifts on each of the veins in northeasterly direction.

The applicant was advised that we require five copies of a Lien and Subordination Agreement, executed by the executor of the estate of J. H. Scott, deceased, and Thelma Scott to process further his application.

Augusta Realon

For: Paul V. Fillo

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1953

AIR MAIL

Memorandum

To [illegible], D. C.

From [illegible] OME, [illegible]

Subject [illegible]

I am planning [illegible] 21 through October 30, [illegible]

Interim [illegible] 11,
" [illegible] 11, Silver)
" [illegible]
" [illegible] 11, Platinum)

Field examination [illegible] (6-14)
" [illegible]

6328

[illegible]

cc
Chief, [illegible]

FILE COPY

17 [illegible]

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/18	Murphy	500
10/18	Ledre	500
10/18	Talbert	800
	GCS	130
10/21	Johnson	110
"	Grant	100
10/22	Coe	220
		500

OCT 21 1963

AIRMAIL

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

The subject application is referred to Region II for review, a field examination if deemed advisable, and recommendations.

In the event you consider a contract to explore the above-referenced claims, kindly advise the Applicant that we require five copies of a Lien or Subordination Agreement, executed by the executor of the estate of J. H. Scott, deceased, and Thelma Scott.

George C. Selfridge

FMMurphy/mm
10/18/63
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/18	Murphy	500
10/18	[illegible]	500
10/18	[illegible]	800
	Selfridge	420
10/21	[illegible]	110
"	[illegible]	100
		220
		500

Mr. Austin H. Merrill
Halcyon Mine
French Gulch, California

OCT 21 1963

Re: OME-6328 (Gold-Silver)
Austin H. Merrill
Halcyon, et al., Claims
Shasta County, California

Dear Mr. Merrill:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. Paul V. Fillo, Acting Field Officer, Office of Minerals Exploration, Region II, 113 Custom House, 555 Battery Street, San Francisco, California, ZIP Code 94111.

The Regional Office will notify you in case additional information is needed.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
10/18/63
cc: Director's Reading File
Region II
Docket

43683

Oct. 18, 1963

Austin H. Merrill
Halcyon Mine,
French Gulch, California

Subject: OME-6328

Dear Mr. Merrill:

Your application for exploration assistance, dated October 15, 1963 submitted to our office at San Francisco, California has been assigned Docket Number OME - 6328.

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

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to
Region II

EXHIB. 3e.

AUSTIN H. MERRILL

HALCYON MINE

French Gulch, California

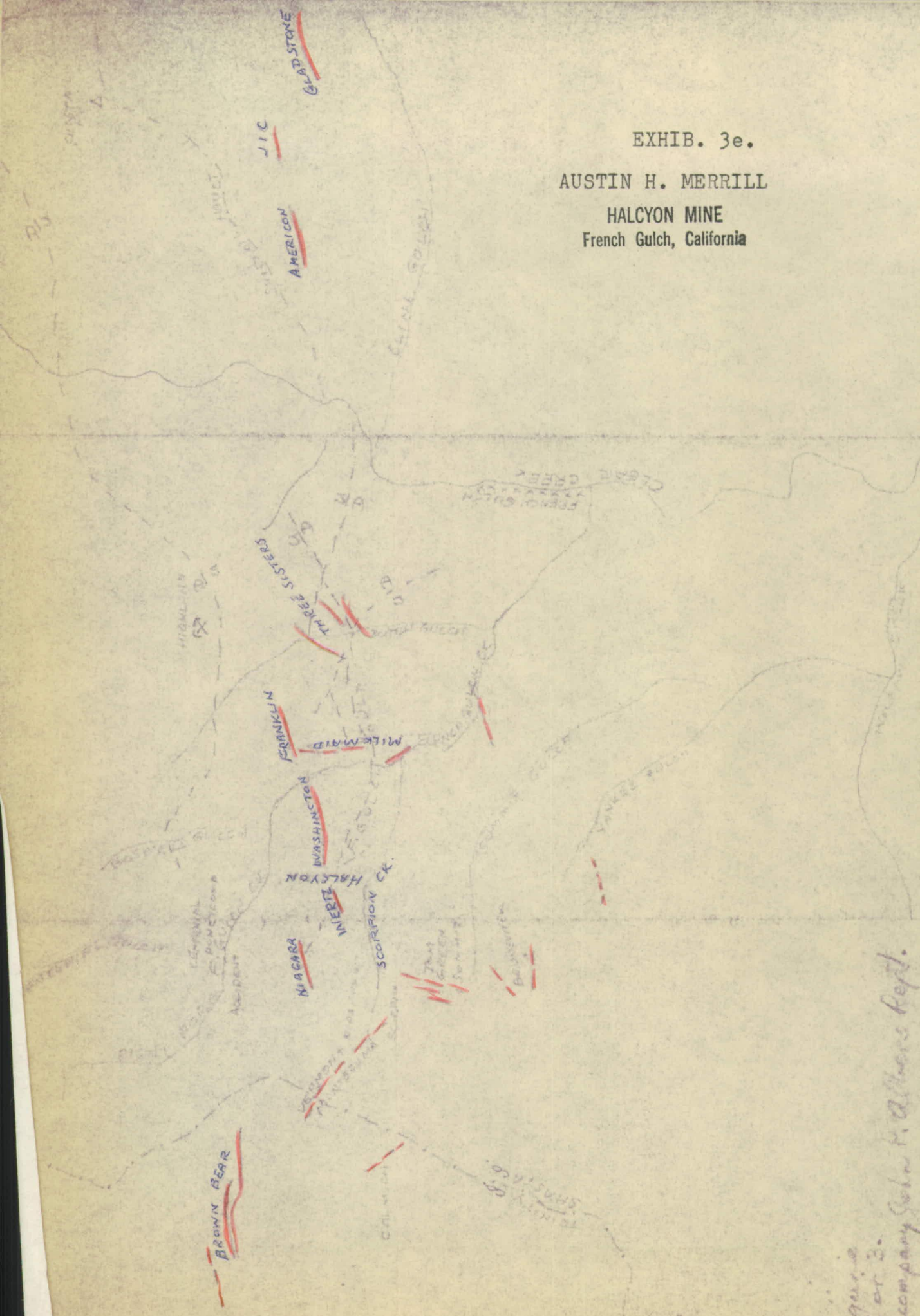


Figure 2 of 3.
To accompany John H. Allen's Rept.

EXHIB. 3e.

AUSTIN H. MERRILL
HALCYON MINE
French Gulch, California

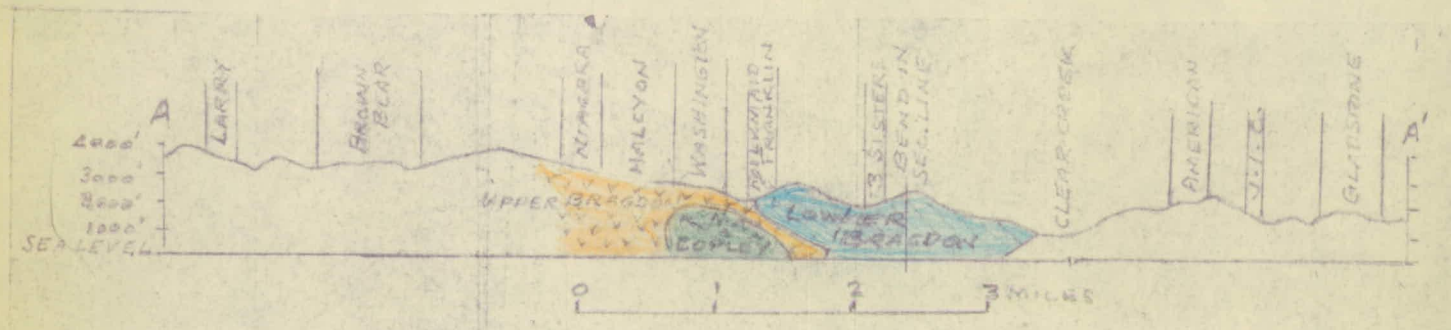


PLATE 147.3

GEOLOGICAL SURVEY RESEARCH 1961
PROF. PAPER 424-C
ARTICLE No. 147

GOLD DEPOSITS IN THE FRENCH GULCH-DEADWOOD DISTRICT
JOHN P. ALBERS, MENLO PARK, CALIF.

EXHIB. 2b.

AUSTIN H. MERRILL

HALCYON MINE

French Gulch, California

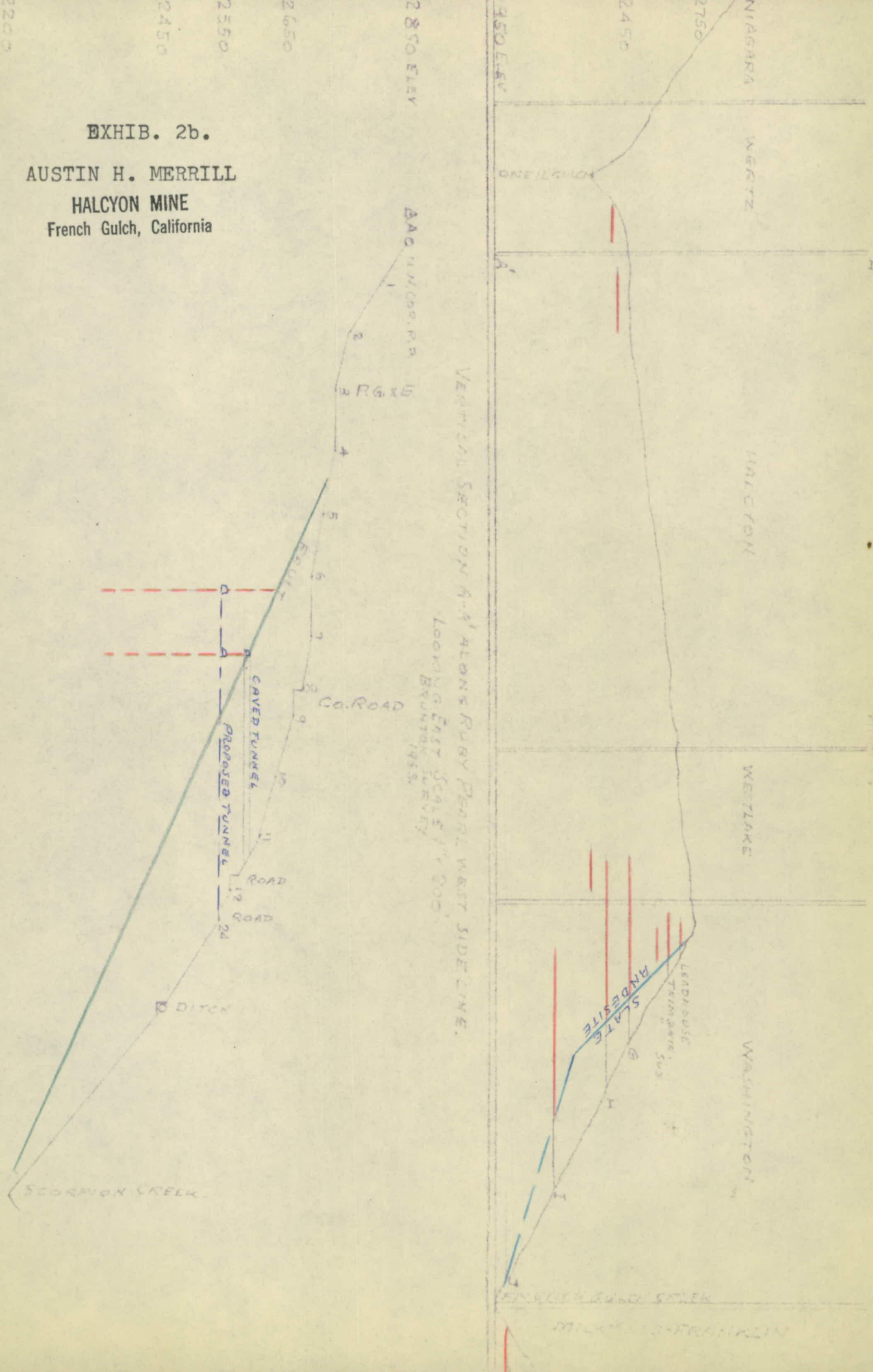
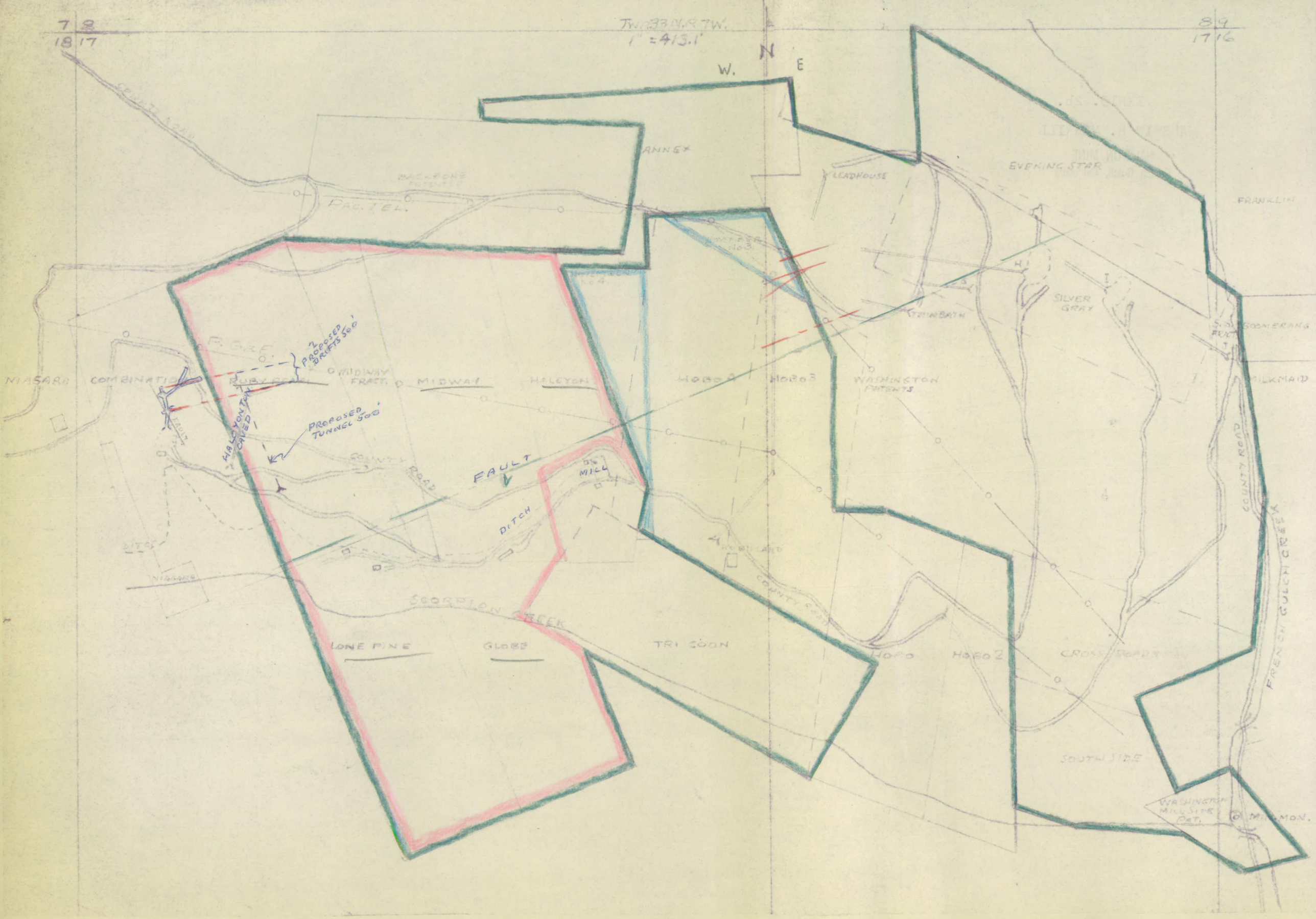


FIGURE 2.- Plan of Exploratory Program and Claim Map.


7 8
18 17
TW. 23 N. R. 7 W.
1" = 413.1'
8 9
17 16
N
W.
E
ANNEX
LEADHOUSE
EVENING STAR
FRANKLIN
PAC. TEL.
PACKERS HOME
PACKERS No. 4
STEINBATH
SILVER GRAY
BOOMERANG FRACT.
MILKMAID
NIASARA
COMBINATION
RUBY FRACT.
MIDWAY FRACT.
MIDWAY
HALCYON
HOBO 1
HOBO 3
WASHINGTON PATENTS
PROPOSED DRIFTS 500'
PROPOSED TUNNEL 500'
HALCYON TUNNEL CAVED
FAULT
COUNTY ROAD
MILL
DITCH
HOBO 4
HOBO 2
SCORPION CREEK
LONE PINE
GLOBE
TRI COON
HOBO
HOBO 2
CROSS ROADS
SOUTH SIDE
COUNTY ROAD
FRENCH GULCH CREEK
WASHINGTON MILL SITE PAT.
G. M. MON.

EXHIB. 2b.

AUSTIN H. MERRILL

HALCYON MINE
French Gulch, California

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DATE	INITIALS	CODE

FIGURE 2.- Plan of Exploratory Program and Claim Map.

OME-6328