DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3324

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Exploration Assistance

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Cys to USBM & USGS

Routing Slip

To:	500	Date	4/26/54
To:	Oper Comm	Date	5-7-54
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Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

3324

Ref 52

4. a. Number 3 shaft, vertical, two and one-half compartments, 7' 2" x 16' outside timber was sunk from the Red Cloud tunnel (900-foot level) and the 1100-foot and 1300-foot levels opened therefrom. The East ore-shoot bottomed about half way between 1100 and 1300 levels. Recently the shaft was sunk an additional 200 feet and drifting is now progressing on the most promising structure exposed by the 1500 level crosscut. No commercial mineralization has been encountered so far. The shaft is currently being sunk toward a 1700-foot level, which will be reached in the next few weeks.

All underground workings are shown on the maps accompanying this report. All workings are accessible for examination. The Sidney Mining Company has a 100% interest in these operations.

4. b. The yearly porduction from 1921 to 1944, inclusive, is tabulated in R.I. 4188. The production from the Sidney Vein subsequent to this report may be found in Table 1. Ore reserves, on January 1, 1954 were estimated at 97,477 tons of an average grade of 2.7% lead, 1.0 Oz. Silver and 6.0% zinc. These reserves are shown on Exhibit 2.

4. c. Refer to R.I. 4188 for a description of the general geologic features found at the Sidney Mine. The most important structural feature in the Sidney is the formation fo subordinate folds on the Northeast flank of the Pine Creek anticline, resulting in local areas of

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Table I

Year	Crude Tons	Assays Zn. %	Assays Pb. %	Assays Ag. Oz.	Gross Metallic Content Zn. Tons	Gross Metallic Content Pb. Tons	Gross Metallic Content Cu. Tons	Gross Metallic Content Ag. Oz.	Gross Metallic Content Au. Oz.
1921-1944	260,667	10.42	5.28	1.90	27,167.1000	13,763.3000	70.90	496,422.00	159.64
1945	17,550	12.68	6.31	2.92	2,225.3400	1,107.4050	1.47	51,246.00	108.81
1946	24,562	9.24	5.69	2.71	2,269.5288	1,397.5778	2.04	66,563.02	164.56
1947	70,865	10.54	5.48	2.55	7,469.1710	3,883.4020	6.38	180,705.75	517.31
1948	89,724	10.04	5.70	2.83	9,008.2896	5,114.2680	5.74	253,918.92	726.76
1949	63,499	9.71	5.72	2.77	6,165.7529	3,632.1428	4.38	175,892.23	425.44
1950	85,731	8.89	4.95	2.17	7,621.4859	4,243.8450	4.80	186,036.27	411.51
1951	71,951	8.25	3.97	1.61	5,932.5690	2,853.5030	19.46	115,762.86	124.24
1952	67,844	7.68	2.26	0.83	5,208.1180	1,530.6580	17.14	56,028.87	87.63
1953	60,413	5.57	2.43	0.86	3,365.4725	1,470.8890	7.85	51,962.71	83.97
Total	812,806	9.40	4.80	2.01	76,432.8277	38,996.9806	140.16	1,634,538.63	2,809.87

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4. c. comparatively flat beds, which we call terraces. To date commercial ore-shoots have been found only in places where a vein structure cuts a terrace. The cross-section in Exhibit 3 shows very strikingly how the terrace, which was about 400 feet wide on 500 level, diminished (as did the quantity and grade of ore) to a small wrinkle on 1300 and 1500 levels. Note also that the terrace narrows upward to 100 level.

Our desire to explore the Sidney vein zone at deeper horizons is founded upon the following hypotheses based upon observed geologic conditions:

1.. The ore shoots in the Sidney Vein zone are controlled by minor folding or terraces in the bedding of the Prichard formation. The explanation ~~of~~ is that strike-slip movement (believed to predominate) on the vein in flat beds produces the structural conditions most favorable for ore deposition because it results in a maximum shattering and shearing of the rock. Similar movement on the vein traversing steeply dipping beds is largely dissipated in gougy slippage on the individual bedding planes.

2. These terraces tend to be lens-shaped, dying out in all directions, as shown in the Sidney and in adjacent mines. In some neighboring mines blind terraces have been encountered in underground workings beneath uniformly steep beds on the surface.

4. c. 3. In the Nabob Mine, which adjoins on the West, the Denver ore shoot and its terraces died out at about the same elevation as those in the Sidney. Recent exploration on a level about 500 lower has disclosed a new terrace and an accompanying ore-shoot developing at that horizon. Therefore, we believe that similar conditions may prevail in the Sidney Mine.

4. d. The Sidney Mine is easily accessible from Kellogg, Idaho, the nearest shipping and supply point, over 2 miles of graded mountain road and 12 miles of paved highway.

e. Adequate manpower, materials, supplies, equipment, water and electric power are available.

5. a. Zinc-Lead-Silver ores.

b. Refer to the following maps and sections accompanying this application:

Exhibit 1. Sidney group of claims, showing present workings and proposed work.

Exhibit 2. Longitudinal Projection of present workings, showing proposed work.

Exhibit 3. Section along Line A-A'

We propose to sink the shaft 600 feet, from 1700 sump to 2300 sump, placing station and pocket sets at 1900 and 2100 and 2300 levels. Small stations and pockets will be excavated on 1900 and 2300 levels, and will include sumps and power centers for pumping.

5. b. This will be followed by crosscutting approximately 475 feet on 2300 level and 375 feet on 1900 level through the Sidney vein zone. On 2300 level the most promising structure encountered will be drifted east and west to the property lines approximately 4000 feet. On 1900 level we propose to drift 2000 feet west beneath the ore shoots which have been productive on the upper levels. However, if the exploration to the east on 2300 discloses encouraging mineralization, part of the drifting on 1900 would be done to the east also.

As these drifts progress, cutouts will be made at about 300-foot intervals on both sides of the drift. These cutouts will be approximately 8 feet long, 6 feet deep and 10 feet high. They will serve the double purpose of car-transfer and diamond drill stations. The estimated cost of these cutouts is distributed in the estimated cost of drifting and crosscutting.

On the upper levels, the zone between the Sidney vein and the McDougall fault has contained several mineralized veins. They have not contained commercial ore-shoots on the upper levels, but they might do so at lower elevations. Therefore, we propose to drill north through the McDougall fault at 300-foot intervals along the 1900 and 2300 drifts. On 1900 level, 7 holes should average 650 feet long and on 2300 level 13 holes should average 750 feet long.

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5. b. At the same intervals we will drill 7 holes 200 feet to the south of 1900 drift and 13 holes 200 feet to the south of 2300. We also propose a 650' hole south from the face of the crossuct on 1900 and 550-foot hole south from the 2300 crosscut. The latter two holes would prospect to the southern side line of our property.

In summary the above program calls for 600 feet of shaft, 35,000 cubic feet of stations and pockets, 850 feet of crosscutting, 6000 feet of drifting and 19,500 feet of diamond drilling.

5. c. The work will start within_____days and be completed within 24 months, from the date of an exploration project contract.

5. d. Applicant employed by Sullivan Mining Co., Kellogg, Idaho from 1939 to 1947 as metallurgical accountant. Employed by Sidney Mining Co. 1947 to date as Secretary-Treasurer. Also Secretary of Sunshine Consolidated, Inc. and Secretary and Director of Big Creek Apex Mining Company.

M. C. Brown, President of the Sidney Mining Company was employed as General Manager of Sidney Mining Co. June, 1943. Has been President of Sidney Mining Co. since September 1, 1953. Was previously employed by Bunker Hill & Sullivan M. & C. Co. from June 1937 to June 1943 as Mucker, Sampler, Mining Engineer and Geologist. B.S., College of Idaho: E.M., Colorado School of Mines.

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5. d. Charles A. McKinley, General Superintendent of Sidney Mining Company. From 1933 to 1934 worked as Miner at the Nome Mine in Elk City, Idaho. 1934 to 1945 worked at the Page Mine, Page, Idaho as timber repairman. From August, 1945 to May, 1946 was employed as Mill Superintendent for the Highland-Surprise Cons. Mining Co., Kellogg, Idaho. In May, 1946 was hired by the Sidney Mining Company as Mill Superintendent and held this position until September, 1953 when he was made General Superintendent of the Sidney operation, a position which he holds to this date.

6. a. We propose 19,500 feet of AX diamond drilling at $4.00 per foot.

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6. b. Following is an itemized schedule of labor by numbers and classes, and of supervisors, engineers, etc. by numbers and positions, with the corresponding wages and salaries based on the contract between the Company and the I.U.M.M. & S.W. It is possible that this schedule may be revised in future negotiations.

Classification	Number	Rate
Shaftmen	8	$ 15.82 per Sh.
Double Drum Hoistman	3	15.87 per Sh.
Cager	1	14.62 per Sh.
Drift Miners	8	15.02 per Sh.
Muckers	1	13.42 per Sh.
Nippers	1	14.62 per Sh.
Trammers	2	14.62 per Sh.
Timberman	1	14.34 per Sh.
Single Drum Hoistman	1	14.62 per Sh.
Samplers	1	13.82 per Sh.
Mechanics	2	15.42 per Sh.
Electricians	2	15.42 per Sh.
Blacksmith	1	15.42 per Sh.
Drill Runner	1	15.02 per Sh.
Drill Helper	1	14.22 per Sh.
Assayer	1	450.00 per Mo.
Shift Bosses	2	473.00 per Mo.
Engineer	1	448.00 per Mo.
Geologist	1	500.00 per Mo.
Foreman	1	563.00 per Mo.
Clerk	1	212.00 per Mo.

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6. b. Following is a distribution of estimated labor costs per foot of shaft:

	Cost per Foot	Total Cost (600 ft.)
Direct Labor	$ 90.00	$ 54,000.00
Service Labor	25.25	15,150.00
Supervision	7.50	4,500.00
Geologist & Engineer	3.00	1,800.00
Clerk & Timekeeper	.50	300.00
Total	$ 126.25	$ 75,750.00

Conforming with Company practice it is proposed to pay the direct labor on a contract basis. It is estimated that the rate for shaft labor will be $70.00 per foot. The above direct labor cost is an average cost, including overtime pay.

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6. b. Following is a distribution of estimated labor costs per cubic foot of stations and pockets:

	Estimated Cost Per Cubic Foot	Estimated Total 35,000 Cu. Ft.
Direct Labor	$ 0.40	$ 14,000.00
Service Labor	0.08	2,800.00
Supervision	0.03	1,050.00
Engineer & Geologist	0.0125	437.50
Clerk & Timekeeper	0.0025	87.50
Total	$ 0.5250	$ 18,375.00

Following is a distribution of estimated labor costs per foot of crossuctting and drifting:

	Cost per Ft.	Total Cost (6850')
Direct Labor	$ 10.50	$ 71,925.00
Service Labor	4.00	27,400.00
Supervision	1.50	10,275.00
Engineer & Geologist	1.00	6,850.00
Clerk & Timekeeper	0.50	3,425.00
Total	$ 17.50	$ 119,875.00

Conforming with Company practice it is proposed to pay the direct labor on a contract basis. It is estimated that the rate for drifts and crosscuts will be on a sliding scale, with a lower limit of $8.50 per foot and an upper limit of $10.00 per foot. The above direct cost is an average cost, including overtime pay.

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6. c. Following is an itemized list of the estimated cost per foot and total cost of operating materials and supplies for shaft sinking.

	Estimated Cost Per Foot	Estimated Total (600 Ft.)
Electric Cables	$ 2.95	$ 1,770.00
Pipe	3.75	2,250.00
Drill Steel & Bits	10.50	6,300.00
Explosives	12.75	7,650.00
Vent Pipe	1.20	720.00
Timber	37.00	22,200.00
Utilities (Power, air & Water)	6.50	3,900.00
Air & Water Hose	0.25	150.00
Casing Pipe	0.20	120.00
Total	$ 75.10	$ 45,060.00

6. c. Following is an itemized list of the estimated cost per cubic foot and total cost of operating materials and supplies for stations and pockets:

	Estimated Cost per Cu. Ft.	Estimated Total 35,000 Cu. Ft.
Drill Steel & Bits	$ 0.05	$ 1,750.00
Explosives	0.06	2,100.00
Timber, Air Gates, Etc.	0.16	5,600.00
Utilities	0.03	1,050.00
Total	$ 0.30	$ 10,500.00

Following is an itemized list of the estimated cost per foot and total cost of operating materials and supplies for Crusscutting and Drifting:

	Estimated Cost per Foot	Estimated Total Cost (6850 Ft.)
Rail	$ 1.13	$ 7,740.50
Pipe	1.48	10,138.00
Drill Steel	2.00	13,700.00
Bits	2.00	13,700.00
Explosives	5.75	39,387.50
Vent Pipe	1.20	8,220.00
Utilities	1.50	10,275.00
Total	$ 15.06	$ 103,161.00

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6. d. A complete list of operating equipment, which will be furnished by the Company, with rental for each item, is as follows:

	Replacement Cost Each	Monthly Rental Each	Estimated Rental Cost per Foot Shaft	Estimated Rental Cost per Foot Drift	Estimated Total Cost
1 Dillon-Box Hoist	$ 14,000.00	$ 233.33	$ 4.67	$ 0.4088	$ 5,600.00
1 4-Ton Atlas Battery Locomotive	9,722.09	162.05	3.24	0.2839	3,889.16
10 Coeur d'Alene Hdwe Rocker dump Cars	525.00	8.75	1.75	0.1533	2,100.00
4 Atlas Sinker Drills	565.00	9.42	017533		452.00
2 H5U Tugger Hoists	1,129.00	18.81	0.7527		451.60
1 Bucyrus-Eire Hydro-mucker	3,235.22	53.92	1.0784		647.04
4 IR 35 Sump Pumps	460.00	7.67	0.6133		368.00
2 Coeur d'Alene Hdwe. Skips	2,100.00	35.00	1.40	0.1226	1,680.00
3 TM-8 Coppus Fans	670.00	11.17	0.67	0.0587	804.00
1 Joy 1-21 Fan	570.00	9.50	0.19	0.0166	228.00
4 1½ MRV 30 Hp. Motor Pump	900.00	15.00	1.20	0.1051	1,440.00
1 1½ MRV 15 Hp Motor Pump	500.00	8.33	0.1667	0.0146	200.00

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6. d.	Replacement Cost Each	Monthly Rental Each	Estimated Rental Cost per Foot Shaft	Estimated Rental Cost per Foot Drift	Estimated Total Cost
1 Model HK GD S.D. Tugger Hoist	$ 760.00	$ 12.67	$ 0.2533	$	$ 152.00
2 I-R Drill Boom Jumbo	4,000.00	66.66		0.2336	1,600.00
6 I-R DA 30 Leyner Drills	1,075.00	17.92		0.1883	1,290.00
1 Eimco Model 21 Mucker	4,435.00	73.92		0.1295	887.00
1 Eimco Model 12-B Mucker	3,100.00	51.66		0.0905	620.00
16 Coeur d'Alene Hdwe. 45 Cu. Ft. Cars	410.00	6.83		0.1915	1,312.00
1 Mancha 2½ Ton Loco.	7,500.00	125.00		0.2190	1,500.00
1 Atlas 3 Ton Loco.	7,500.00	125.00		0.2190	1,500.00
1 Eimco Air Trammer 3 Ton	2,000.00	33.33		0.0292	200.00
2 Fans 2250 x 17 x 3450 Joy Axivane Fans	1,050.00	17.50		0.0613	420.00
4 Cherry Pickers or Car Transfers	250.00	4.17		0.0292	200.00
		Total	$ 16.7377	$ 2.5547	$ 27,540.80

6. f. To expedite the shaft sinking we propose to construct an auxiliary or relay pocket on 1700 level into which the shaft mucking crew will dump. This should speed up the shaft mucking cycle considerably. The service crews can then run the muck from the auxiliary pocket to the regular 1700 pocket and thence hoist to the top at their convenience.

We estimate the cost of this relay pocket as follows:

65 Ft. of Pocket Raise @ $30.00 per ft.	$ 1,950.00
1750 Cu.Ft. dump excavation @ $1.00	1,750.00
Dumping Irons & Installation	1,000.00
Safety bulkheads & Installation	500.00
Total	$ 5,200.00

6. g. Following is an itemized list of the estimated cost per foot and total cost of miscellaneous charges for shaft sinking:

	Estimated Cost Per Foot	Estimated Total Cost (600 Ft.)
Equipment Maintenance	$ 9.00	$ 5,400.00
Liability Insurance and Industrial Compensation	2.25	1,350.00
Assaying	0.05	30.00
Payroll Taxes	2.65	1,590.00
Total	$ 13.95	$ 8,370.00

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6. g. Following is an itemized list of the estimated cost per cubic foot and total cost of miscellaneous charges for stations and pockets:

	Estimated Cost Per Cu. Ft.	Estimated Total (35,000 Cu. Ft.)
Repairs	$ 0.10	$ 3,500.00
Liability Insurance Industrial Compensation	0.03	1,050.00
Payroll Taxes	0.045	1,575.00
Total	$ 0.175	$ 6,125.00

Following is an itemized list of the estimated cost per foot and total cost of miscellaneous charges for cross-cutting and drifting:

	Estimated Cost Per Foot	Estimated Total Cost (6850 Ft.)
Repairs	$ 3.00	$ 20,550.00
Assaying	0.05	342.50
Liability Insurance & Industrial Compensation	2.00	13,700.00
Payroll Taxes	1.35	9,247.50
Total	$ 6.40	$ 43,840.00

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6. h. No allowance should be necessary for contingencies not included in the cost estimates above. Following is a summary of the costs estimated for the entire project:

	Estimated Cost Per Unit	Estimated Total Cost	
Shaft (600 Feet)			
Labor	$ 126.25	$ 75,750.00	
Materials & Supplies	75.10	45,060.00	
Equipment Rental	16.7377	10,042.62	
Miscellaneous	13.95	8,370.00	
Total Shaft	$ 232.0377		$ 139,222.62
Stations & Pockets (35,000 Cu. Ft.)			
Labor	$ 0.5250	$ 18,375.00	
Materials & Supplies	0.30	10,500.00	
Equipment Rental	0.1116	3,906.00	
Miscellaneous	0.175	6,125.00	
Total Stations & Pockets	$ 1.1116		38,906.00
Crosscuts & Drifts (6850 Ft.)			
Labor	$ 17.50	$ 119,875.00	
Materials & Supplies	15.06	103,161.00	
Equipment Rental	2.5547	17,499.70	
Miscellaneous	6.40	43,840.00	
Total Crosscuts & Drifts	$ 41.5147		284,375.70
Relay Pocket (1700-Ft. Level)			5,200.00
Diamond Drilling (19,500 Ft.)			78,000.00
Project Total			$ 545,704.32

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1. a. Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

b. Incorporated under the Laws of the State of Idaho.

c. M. C. Brown, President — Kellogg, Idaho
W. A. Beaudry, Vice-President — Seattle, Washington
Fred E. Marler, Jr. Sec.-Treas. — Kellogg, Idaho

3. a. The property of the Sidney Mining Company is located in the Pine Creek Section of the Yreka Mining District, Shoshone County, Idaho in sections 22 and 27, Township 48 North, Range 2 East, Boise Meridian.

The exact area upon which the exploration is to be conducted consists of all ground below Sidney 1700 level (elevation 2475 feet above sea level) embraced within the following area:

The Southerly one-half of the Minnehaha Claim, Mineral Survey No. 2991, and that portion of the following claims within the Sidney property lines:

<u>Patented Claims</u>

Mineral Survey No. 2991
Sidney

Mineral Survey No. 3122
Oregon
Nedra
Mabel D

<u>Unpatented Claims</u>

Snowstorm
Linda
Little Billy
Snowshoe
Bonnie Alice
Frank
Dixie Queen

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3. b. Sidney Mine

c. The Sidney Mining Company is the sole owner of property described above.

d. N.A.

e. There are no liens or encumberances on the property.

f. The following claims, unpatented but surveyed for patent under Mineral Survey No. 3424 and are recorded in the Office of the Shoshone County Recorder, in Wallace, Idaho in the Book of Quartz Claims and page listed below:

	Book	Page
Snowstorm	23	489
Snowshoe	23	488
Linda	25	328
Bonnie Alice	23	490
Little Billy	23	488
Frank	23	487
Dixie Queen	25	329

4. a. Refer to Bureau of Mines R.I. 4188, February, 1948. This publication contains an excellent description of the mine at the time it was written. Since 1948 all operations have been conducted through the Red Cloud Tunnel. At its portal is located a modern 250 ton mill, together with warehouse, shops, dry-house, sawmill, etc., making a very complete and modern mine plant. (See picture next page.) During 1947 to 1953 inclusive this plant has treated 510,027 dry tons of ore from the East ore-shoot, containing 21,257.8188 tons of lead, 44,770.8589 tons of zinc and 1,020,307.61 ounces of silver.

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. _____

Date received MS-0926

Sidney Mining Company
Sidney Building
Kellogg, Idaho

Fred E. Marler, Jr.
Secretary - Treasurer
Sidney Mining Company
Sidney Building
Kellogg, Idaho

Name and address of applicant

Date June 13, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

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

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

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

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

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

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

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, ~~Long~~, ~~Metric~~ tons; ~~XXXXXXXXXXXXXXXX~~	Zn,Pb,Ag Crude Ore	89724	63499	85731	7000
2. Quantity of product processed (specify unit of measure and type of process) Short Tons Flotation Process	Above	89724	63499	85731	7000
3. Quantity and grade of product sold or shipped (specify units of measure) Short Tons Wet	Pb. Zn. Conc.	22267.38	16517.34	14242.54	1300.00

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. No change anticipated

12. Ore or Mineral Reserves:

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

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

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

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

TOTAL ORE OR MINERAL RESERVES

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

(*c*) If placer:

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

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

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

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

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

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

13. Access Roads:

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

15 Miles from Kellogg, Idaho. Gravel and Oil roads in good condition.

14. Water Supply:

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

Highland Creek with sufficient water for all-year operations.

15. Power:

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

16. Labor:

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

17. Equipment and Facilities:

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

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

CERTIFICATION

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

Sidney Mining Company
(Name of company)

By Fred E. Marler Jr.
(Signature of authorized official)

June 13, 1951
(Date)

Secretary - Treasurer
(Title)

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

Addendum to MF-100, Page 1
Sidney Mining Company
Sidney Building
Kellogg, Idaho

1. a. Lead and Zinc Concentrate
   b. None

2. Sidney Mine - Underground
   a. 1,171 Lin. Ft. Shafts
   b. 5,443 Lin. Ft. Drifts and Crosscuts
   c. 14,002 Lin. Ft. Tunnels and Adits
   d. 6,197 Lin Ft. Raises and other mine openings.
   Mine is not flooded.

3. a. 15 miles South of Kellogg, Idaho
   b. Yreka Mining District
   c. Section 26, Township 48 North, Range 2 E.B.M.
   d. Shoshone County, Idaho

4. a. Property is now in operation and operated by the Sidney Mining Company
   b. Owner.

5. 39 years intermittant operation.

6. a. Applicant employed by Sullivan Mining Co., Kellogg, Idaho from 1939 to 1947 as metallurgical accountant. Employed by Sidney Mining Company 1947 to this date as Secretary-Treasurer. Also Secretary of Sunshine Consolidated, Inc. and Secretary and Director of Big Creek Apex Mining Company
   b. Malcolm C. Brown, General Manager employed by Sidney Mining Company June 1943 and so employed this date. June 1937 to June 1943 employed by Bunker Hill & Sullivan M. & C. Co. as Mucker, Sampler, Mining Engineer and Geologist. BS., College of Idaho; E.M., Colorado School of Mines.

7. a. The first claims of the Sidney Mining Company were located in the winter of 1895 by L. W. Gay. These and surrounding claims were incorporated in 1910 into the Sidney Mining Company. Sporadic work was done by the original incorporators until 1921 when the property was leased to a group of individuals known as the Sidney Leasing Company. The property was worked until 1923 when it was shut down by low metal prices. During 1925 an arrangement was made with the Bunker Hill & Sullivan M. & C. Co. to custom mill the ore of the Sidney Mine and between 1925 and 1928 the Sidney Leasing Company produced 78,326 tons of crude ore. During the year 1928 a fire destroyed the tramway used to transport ore to the Bunker Hill and work was stopped until this damage was repaired. Production was resumed in July, 1928 and continued until August, 1930 when again low metal prices forced suspension of operations. During this latter period 88,707

tons of ore was produced. Continued sporatic production was in order until 1940 when the lease with the Sidney Leasing Company expired. In 1942 the Sidney Mining Company again took over the property and started operating and is this date operating a 250 ton Mill on a three-shift basis.

b. Not known.
c. None.

15. 450,000 kw. hr. per month at $0.00625 per kw. hr. from the Washington Water Power Company.

16.

Mill Repairmen	3
Mill Operators	6
Mill Helpers	4
Miners	22
Timbermen	10
Cagers and Trammers	3
Hoistmen	6
Mine Repairmen	2
Carpenters & Mechanics	19
Helpers	6
Surface Laborers	3
Electricians	4
Helpers	1

17. Complete underground mining facilities operating on a two-shift basis. Ten surface building including a 250 ton flotation mill built in 1946 and operating on a three-shift basis.

Sidney Mining Company

BALANCE SHEET AT DECEMBER 31, 1950

ASSETS

CURRENT ASSETS:			
Cash in banks			$ 450,597.80
Accounts receivable:			
Trade:			
For concentrates		$ 137,043.51	
Other		951.52	
			137,995.03
Inventories—see note 1:			
Supplies at cost			89,712.49
Total current assets			678,305.32
PROPERTY, PLANT AND EQUIPMENT:			
Mineral claims and development—see note 2	$1,076,609.80		
Less: Reserve for depletion—see note 3	1,076,609.80		
Shaft, tunnel and other deferred mining costs	$277,122.86		
Less: Reserve for amortization	104,325.71		
		$ 172,797.15	
Buildings, equipment and improvements	$827,104.00		
Less: Reserve for depreciation	392,219.37		
		434,884.63	
Town lots		4,000.00	
			611,681.78
DEFERRED CHARGES:			
Prepaid insurance			5,068.84
OTHER ASSETS:			
Claims for refund of federal income tax		4,571.13	
Deposit—State Insurance Fund		50.00	
			4,621.13
			$1,299,677.07

LIABILITIES

CURRENT LIABILITIES:			
Accounts payable:			
Trade creditors		$ 25,492.79	
Payroll payable		16,355.39	
Payroll deductions		5,149.23	
			$ 46,997.41
Provision for taxes:			
Federal and state taxes on payrolls		$ 1,732.48	
Federal income tax		197,256.72	
State income tax—see note 3		24,752.64	
Mine license tax—see note 3		9,072.10	
			232,813.94
Total current liabilities			$ 279,811.35
CAPITAL STOCK LESS DEFICIT:			
Capital stock having a par value of $1.00 per share 1,500,000 shares authorized and outstanding		$1,500,000.00	
Deficit:			
Capital deficit arising from discount on treasury stock less assessments received	$420,850.00		
Earned deficit—see note 3	59,284.28		
		480,134.28	
			1,019,865.72
			$1,299,677.07

NOTE 1: Inventories shown above represent the value of inventories of supplies listed on inventory sheets prepared by the Company. We did not make a physical count of inventories at December 31, 1950. The computations on the supply inventory sheets were comprehensively tested and were found correct. We ascertained by investigation that adequate precautions were taken to insure a proper count of the items.

NOTE 2: Included in the cost of mineral claims is the sum of $1,000,000.00 representing the par value of 1,000,000 shares of capital stock issued in exchange for property.

NOTE 3: Since 1942 depletion has been computed on the percentage basis. No provision for percentage depletion in excess of the book value of properties has been made on the books of the company.

Sidney Mining Company

Condensed Statement of Profit and Loss for the Year Ended December 31, 1950

TOTAL ORE MILLED			85,731 Tons
GROSS WET TONS OF CONCENTRATES SOLD TO SMELTER			14,242.54 Tons
GROSS METALLIC CONTENT OF CONCENTRATES SOLD	Silver, oz. 174,089.83	Lead, lbs. 7,891,002	Zinc., lbs. 14,717,809
INCOME FROM CONCENTRATES SOLD:			
Gross value	$3,165,742.07		
Less smelter charges	1,407,875.23		
Net smelter returns	$1,757,866.84		
OTHER INCOME	4,440.62		
			$1,762,307.46
COSTS AND EXPENSES:			
Operating:			
Mining and milling	$ 704,765.44		
General, administrative and other charges	72,820.85		
Taxes other than income taxes	74,978.57		
			852,564.86
PROFIT BEFORE DEPRECIATION, DEPLETION AND INCOME TAXES			$ 909,742.60
PROVISION FOR FEDERAL AND STATE INCOME TAXES			219,986.92
PROFIT BEFORE DEPRECIATION AND DEPLETION			$ 689,755.68
PROVISION FOR DEPRECIATION			144,925.88
PROFIT BEFORE PROVISION FOR DEPLETION			$ 544,829.80
PROVISION FOR DEPLETION—See note 3 on Balance Sheet			14,207.74
NET PROFIT			$ 530,622.06

Analysis of Earned Deficit for the Year Ended December 31, 1950

Earned deficit at December 31, 1949, per report		$ 12,320.39
Add:		
Additional Federal income taxes for prior years	$ 15,470.09	
Additional State income taxes for prior years	2,022.44	
Additional mine license taxes for prior years	471.40	
Additional depletion for prior years	4,926.91	
		22,890.84
		$ 35,211.23
Deduct:		
Reduction of depreciation for prior years	16,210.62	
Prior year mining costs transferred to deferred mining costs	28,865.53	
		45,076.15
Earned surplus at December 31, 1949 (adjusted)		$ 9,864.92
Add:		
Net profit for year 1950 per exhibit B	530,622.06	
Unclaimed dividend checks issued prior to 1937 cancelled	228.74	
		530,850.80
		$ 540,715.72
Deduct: Dividends paid during 1950		600,000.00
Earned deficit at December 31, 1950		$ 59,284.28

Sidney Mining Company

Report on Examination of Accounts and Financial Records

YEAR ENDED DECEMBER 31, 1950

★

March 19, 1951

TO THE BOARD OF DIRECTORS OF
SIDNEY MINING COMPANY
Kellogg, Idaho

Gentlemen:

We have examined the balance sheet of the Sidney Mining Company as of December 31, 1950, and the related statements of income and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except we did not made a physical count of items in the inventories.

In our opinion, the accompanying balance sheet and statements of income and deficit present fairly the financial position of the Sidney Mining Company at December 31, 1950, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,
LeMASTER & DANIELS
Certified Public Accountants

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

So. 157 Howard Street
Spokane 4, Washington

June 13, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
LAWSON F. STROBEL
Executive Secretary

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are four copies of MF-100 submitted by the Sidney Mining Co. of Kellogg, Idaho. These are being submitted in application for serialization in accordance with MO-7.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S.B.M., Spokane
~~U.S.B.M., Albany~~

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

So. 157 Howard Street
Spokane 4, Washington

June 13, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

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Sincerely yours,

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

AEW/bh
cc: U.S.B.M., Spokane
~~U.S.B.M., Albany~~

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

So. 157 Howard Street
Spokane 4, Washington

June 1[illegible], 1951

Mr. [illegible]. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are four copies of [illegible]-10[illegible] submitted by the Sidney Mining Co. of Kellogg, Idaho. These are being submitted in application for serialization in accordance with [illegible]-7.

Sincerely yours,

[illegible]. [illegible] Helsebern
Executive Officer, DMA
Field Team, Region II

Enclosures

[illegible]/bh

cc: U.S.B.M., Spokane
~~U.S.B.M., Albany~~

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

So. 157 Howard Street
Spokane 4, Washington

June 13, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are four copies of MF-100 submitted by the Sidney Mining Co. of Kellogg, Idaho. These are being submitted in application for serialization in accordance with MO-7.

Sincerely yours,

A. H. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

AHW/bk
cc: U.S.B.M., Spokane
~~U.S.B.M., Albany~~

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Cancelled
Emc

RECEIVED
APR 19 1954
U. S. G. S.
SPOKANE, WASH.

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

Not to be filled in by applicant

Docket No. 3324
Metal or Mineral Lead-Zinc-Silver
Date Received
Estimated Cost $545,704
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sidney Mining Company
102 Sidney Building
Kellogg, Idaho

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

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

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

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated April 15, 1954

Sidney Mining Company
(Applicant)

By Jack E. Walker Jr.

Secretary-Treasurer

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

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

August 4, 1954

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM

Subject: Docket No. DMEA-3324 (Sidney Mining Company's Sidney Mine, Shoshone County, Idaho - $359,550)

The following is in reply to your memorandum of July 20, asking for a more detailed statement supporting my recommendation relative to the proposed exploration. My position is based upon a review of the field team reports, the application, Bureau of Mines R. I. 4188, the 1944 report by Forrester and Nelson on the lead and zinc deposits of the Pine Creek area, plus certain other knowledge of the Coeur d'Alene region and its mineralization.

When the Bureau of Mines discovered the rich East ore shoot in September 1944, the Sidney mine was "worked out and bottomed." Exploration openings below the stopes of the Sidney Leasing Company and to the eastward as far as they had been driven had found only barren ground. The ore intersections found by the Bureau led to development of the East ore body which has since yielded about $20,000,000 in gold, silver, lead and zinc from some 500,000 tons of ore. The East ore shoot is now essentially worked out and measured and indicated reserves in the form of drift and stope pillars, and lean portions of stope blocks remaining total about 95,000 tons or roughly a one and a half year supply of marginal ore at present prices. If the property is to continue in production additional reserves must be discovered and the questions arise whether the area is worth exploring, and if so, where shall the search be made. To answer these questions, the mining geologist must search out all features connected with the localization of ore in the district, striving to develop working hypotheses that may guide his search. He must go beyond the immediate area, for controlling phenomena are often obscure at one mine but readily explainable in another. He must evaluate host rocks, fracture patterns, rock alteration, and structural relationships that will reveal loci of ore shoots, in short he must study the "geologic habits" and the rationale of their being in order to find a desirable target for his exploration.

The program outlined in the application and subsequently modified by Campbell of the USGS and Erickson of the USBM seems a well planned program developed by analyses of the geologic controls, giving weight to observations made throughout the Pine Creek district. It is observed that the ore bodies occur as discontinuous replacements in the Yreka shear zone which traverses the north limb of the Pine Creek anticline. Recent study indicates that many ore shoots are localized by "structural terraces" in this area. Both the East and West ore bodies of the Sidney mine developed on a structural terrace and the barren zone between and under the two ore shoots are characterized by steeply dipping beds. Recent exploration at the Mabob 500 feet south and 500 feet lower than the upper level terrace structure demonstrates that structural terraces do repeat down dip. Hindered shearing or faulting movement such as existed on the terraces involved strain, and shearing moments that would create ore solution channels and replacement potentials beyond that found in the shear zone adjacent to free moving blocks.

There is no direct evidence that a structural terrace will be cut by the 2,300-foot level exploration. However, changes in the dip are to be expected in the beds of the anticline and it is known, as pointed out above, that such a terrace or flattening did occur at the Mabob mine. It is also thoroughly possible that parallel ore-bearing structures may be found in the shear zone. The work proposed is considered sound because it will test an unexplored block of ground in the Yreka shear zone between known ore bodies to the west and east, in an area very likely to offer favorable structural conditions.

The costs prepared by Erickson in his memo of May 28, 1954 are based on recent cost experience in the district, and appear fair and equitable as presented. I have no comments to make on them. The escalator clause seems simple to me as does the reasoning, but whether it can be placed in a contract is a matter best worked out between the contracting officers of DMEA and the company.

O. M. Bishop

O. M. Bishop

Copy to: Minerals Division
Edward L. Newcomb
O. M. Bishop
Files

File Copy
Surname
J. M. Ald.

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

August 19, 1954

Memorandum

To: Operations Control & Statistics Division

From: Chief, Base Metals Division

Subject: Withdrawal of Application, Docket No. DMEA-3324, Sidney Mining Company, Sidney Mine, Shoshone County, Idaho (Lead-Zinc)

We desire to have the cited application withdrawn and the proposed work of this application to be applied to Contract No. Idm-E367, Docket No. DMEA-2351, Sidney Mining Company, Sidney Mine, Shoshone County, Idaho. The work of the application is to be done under Amendment No. 1 to the original contract.

The reasons for withdrawing this application are:

1. The work is to be done in the same mine and by the same company.

2. Having this work done under the contract now in effect would enable the Government to be repaid in royalties for work that has been done to date in the event that there is a discovery of ore by doing the proposed work. To date, there has been no discovery of ore by the work that has been done under the terms of the contract.

We believe that withdrawing this application and having the work done by an amendment to the contract of this company, will be for the best interests of the Government.

W. R. Griswold

W. R. Griswold

WRGriswold/er 8/19/54

Copy to: Docket (2)
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Gildersleeve
Region III (2)
Chron.

File Copy
Surname

WRGriswold/bjl, Rm. 4058, Ext. 3669

T E L E T Y P E

Base Metals, DMEA, Interior

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to Office of the Secy.)

Date: AUG 20 1954

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, Spokane, Wash.

Reurlet August 13 enclosing memorandum Arthur B. Campbell dated August 10, Docket DMEA-2351, Sidney Mining Company, Contract Idm-E367, and also referring to application of above company, Docket DMEA-3324. Since receipt of Hobbs and Fryklund memorandum on August 16 this application is being processed and we shall try to expedite as much as possible.

W. S. Martin
ACTING Chairman, Operating Committee

Written 8/18/54

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Gildersleeve
Chron.

File Copy
Surname
J.W. Alt.

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

August 18, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Chief, Base Metals Division

Subject: Amendment to Contract No. Idm-E367, Docket No. DMEA-2351, Sidney Mining Company, Sidney Mine, Shoshone County, Idaho (Lead-Zinc)

Will you please prepare Amendment No. 1 to the cited contract. The Applicant has applied for a DMEA loan under Docket No. 3324 to do work in the same mine, only in a different location and at depth. We are of the opinion that this work should be included in the original contract.

A draft of the proposed amendment is attached to the docket.

W. R. Griswold

JWAlt:er/ 8/18/54

Copy to: Docket
Base Metals
Chron.

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

August 19, 1954

Memorandum

To: Operations Control & Statistics Division

From: Chief, Base Metals Division

Subject: Withdrawal of Application, Docket No. DMEA-3324, Sidney Mining Company, Sidney Mine, Shoshone County, Idaho (Lead-Zinc)

We desire to have the cited application withdrawn and the proposed work of this application to be applied to Contract No. Idm-E367, Docket No. DMEA-2351, Sidney Mining Company, Sidney Mine, Shoshone County, Idaho. The work of the application is to be done under Amendment No. 1 to the original contract.

The reasons for withdrawing this application are:

1. The work is to be done in the same mine and by the same company.

2. Having this work done under the contract now in effect would enable the Government to be repaid in royalties for work that has been done to date in the event that there is a discovery of ore by doing the proposed work. To date, there has been no discovery of ore by the work that has been done under the terms of the contract.

We believe that withdrawing this application and having the work done by an amendment to the contract of this company, will be for the best interests of the Government.

W. R. Griswold

W. R. Griswold

File Copy
Surname

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

July 8, 1954

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Docket No. DMEA-3324, Sidney Mine Company, Pine Creek Section, Yreka Mining District, Shoshone County, Idaho (Lead-Zinc)

In a phone conversation of this date with Mr. Weissenborn and Mr. Kiilsgaard, it was pointed out to them that the substantiating material covering this application was too weak and inconclusive to permit us giving unqualified approval to the proposed project.

They stated that they were preparing much more material for corroborative nature, and that they believed that we would feel more favorably inclined to the application after such material had been received and reviewed. It was emphasized to these gentlemen that all such large-scale projects, if recommended, should be covered in a most thorough and comprehensive manner, with a maximum of data, geological maps and sections, etc., to properly justify any action we might take.

W. R. Griswold

Copy to: Docket
Base Metals
Chron.