NOTE: Use a separate form for each request.

DESCRIPTION OF RECORD(S) OR INFORMATION REQUESTED

DOCKET # DMFA 4874

REMARKS

NATURE OF SERVICE

☐ FURNISH COPY OF RECORD(S) ONLY ☐ PERMANENT WITHDRAWAL ☐ LOAN OF RECORD(S) ☐ OTHER *(Specify)*

RECORD GROUP NO.	ACCESSION NO.	FRC BOX NO. OR RECORDS CENTER LOCATION NO. *(If known)*
	64A709	101T 14/52115-3

TO General Services Administration
Federal Records Center NARS

(City) *(State)* *(Zip Code)*

NOTE: In Washington, D.C. area send to STOP 386

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OUT TO *(Name, agency and date)*:

REMARKS

DATE	SERVICE	TIME REQUIRED	SEARCHER'S INITIALS
1-23-76	1	1hr	

FOR USE OF REQUESTER

NAME OF REQUESTER	TELEPHONE NO.	DATE
G. Weigand	703/860-6121	1/22/76

NAME AND ADDRESS OF AGENCY *(Include building, room no. and Zip Code)*

US Geo. Survey
983 Natl Ctr.
Reston, VA 22092

(In Washington, D.C. area also include STOP number)

RECEIPT OF RECORDS

Requester please sign, date and return this form, for file item(s) listed above, *ONLY* if the block to right has been checked by the Records Center. ☐

SIGNATURE	DATE

OPTIONAL FORM 11
REVISED FEBRUARY 1971
GENERAL SERVICES ADMINISTRATION
FPMR (41CFR) 101 - 11.4
5011 - 104

REFERENCE REQUEST — FEDERAL RECORDS CENTERS
RECORDS CHARGE OUT COPY

NOTE: Use a separate form for each request.

DESCRIPTION OF RECORD(S) OR INFORMATION REQUESTED

DOCKET # DMEA 4874

REMARKS

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RECORD GROUP NO.	ACCESSION NO.	FRC BOX NO. OR RECORDS CENTER LOCATION NO. (If known)
	64-A709	10LT 14/52:15-3

TO General Services Administration
Federal Records Center NARS

(City) (State) (Zip Code)

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REMARKS

DATE	SERVICE	TIME REQUIRED	SEARCHER'S INITIALS
1-23-75	1	1hr	[illegible]

FOR USE OF REQUESTER

NAME OF REQUESTER	TELEPHONE NO.	DATE
G. Weigand	703/860-6081	1/23/75

NAME AND ADDRESS OF AGENCY (Include building, room no. and Zip Code)

US GEO. SURVEY
953 NATL CTR
RESTON, VA 22092

(In Washington, D.C. area also include STOP number)

RECEIPT OF RECORDS

Requester please sign, date and return this form, for file item(s) listed above, *ONLY* if the block to right has been checked by the Records Center. ☐

SIGNATURE	DATE

OPTIONAL FORM 11
REVISED FEBRUARY 1971
GENERAL SERVICES ADMINISTRATION
FPMR (41CFR) 101 - 11.4
5011 - 104

REFERENCE REQUEST — FEDERAL RECORDS CENTERS

NO[redacted] separate form for each request.

DESCRIPTION OF RECORD(S) OR INFORMATION REQUESTED

DOCKET # 12MPA 4874

REMARKS

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RECORD GROUP NO.	ACCESSION NO.	FRC BOX NO. OR RECORDS CENTER LOCATION NO. (If known)
	64A709	101 T 14/2115-3

TO General Services Administration
Federal Records Center NARS

(City) (State) (Zip Code)

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☐ MISSING (Neither record(s), information nor charge card found in container(s) specified)

☐ RECORDS PREVIOUSLY CHARGED

OUT TO (Name, agency and date):

REMARKS

DATE	SERVICE	TIME REQUIRED	SEARCHER'S INITIALS
6-23-78	1	002	[illegible]

FOR USE OF REQUESTER

NAME OF REQUESTER: C. Weigand

TELEPHONE NO.: 703/866-[illegible]

DATE: 1/23/7[illegible]

NAME AND ADDRESS OF AGENCY (Include building, room no. and zip code): [illegible] Office [illegible] 835 [illegible] Washington [illegible] 20012

(In Washington, D.C. area also include STOP number)

RECEIPT OF RECORDS

Requester please sign, date and return this form, for file item(s) listed above, *ONLY* if the block to right has been checked by the Records Center. ☐

SIGNATURE	DATE

FORM 11
FEBRUARY 1971
GENERAL SERVICES ADMINISTRATION
(41 CFR) 101 - 11.4
5011 - 104

REFERENCE REQUEST — FEDERAL RECORDS CENTERS
AGENCY SUSPENSE FILE COPY

NOTE: Use a separate form for each request.

DESCRIPTION OF RECORD(S) OR INFORMATION REQUESTED

Docket # DMEA 4874

REMARKS

NATURE OF SERVICE

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RECORD GROUP NO.	ACCESSION NO.	FRC BOX NO. OR RECORDS CENTER LOCATION NO. (If known)
	64A 709	101 T 14/52:15-3

TO ➡ General Services Administration
Federal Records Center NARS

(City) (State) (Zip Code)

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OUT TO (Name, agency and date):

REMARKS

Special Pick Up 1/21/76 anytime

DATE	SERVICE	TIME REQUIRED	SEARCHER'S INITIALS
1-20-76			[illegible]

FOR USE OF REQUESTER

NAME OF REQUESTER	TELEPHONE NO.	DATE
GAIL WEIGAND	703/860-6681	1/20/76

NAME AND ADDRESS OF AGENCY (Include building, room no. and Zip Code) ➡ U.S. Geological Survey
953 NAT'L. CENTER
RESTON, VA

(In Washington, D.C. area also

RECEIPT OF RECORDS

Requester please sign, date and return this form, for file item(s) listed above, *ONLY if the block to right has been checked by the Records Center.* ☐

SIGNATURE DATE

DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 1201

DMEA NO. 4892

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

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

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

Additional Folders:

Left Side

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

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] 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

17963

APR 15 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mac D Mining Corporation
Route 1
Eagle, Idaho

pertaining to Exploration Project Contract No. Idm-E1201, Docket No. DMEA-4892, dated June 6, 1958, including Amendment No. 1, for the Months of October and November 1958, covering a project for the exploration of mercury, on property known as the Lucky Boy No. 1 et al. Claims, located in Owyhee County, Idaho.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team Reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

The review disclosed the following facts in regard to the amount paid or to be paid the Contractor:

Total cost as billed by the Contractor		$3,200.00
Exceptions (Schedule attached):		
by Finance Officer	$323.54	
Herewith	(20.00)	
Total	$303.54	
Less: Reinstatement by OME Auditor	300.00	3.54
Total Accepted Cost		$3,196.46

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One Thousand Five Hundred Ninety Eight and 23/100 Dollars is valid and proper, provided that the Regional Executive Officer, The Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$1,598.23
Amount paid to date	1,218.23
Balance due Operator	$ 380.00

Pd 4/21/59

George Maver

April 13, 1959

George Maver, OME Auditor

Reasons for a Report of Review in lieu of a final audit

(a) the monthly Reports were supported by documentary proof of the costs incurred under the terms of the contract, and of the total accepted costs, a major portion ($2,080.00) covered bulldozing at a unit rate and transportation of equipment under independent contracts and the balance ($1,115.46) represents other reimbursable costs, which included allowable depreciation of $40.00 for pick-up truck; and

(b) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowance thereunder.

Schedule of Exceptions

Idm-E1201	Mac D Mining Corporation		IMEA-4892
	October 1958 MF-104		Amount
Operator claimed Supervision for October 1959		$600.00	
Less: Amount disallowed by Finance Officer pending completion of surveying, sampling and mapping.		300.00	$300.00
Operator claimed contract estimate for Gas and Oil during October 1958		$ 40.00	
Less: Amount disallowed by Finance Officer due to lack of supporting invoices. (Invoices attached to MF-104 totaled $16.46)		16.46	23.54
Total Disallowance by Finance Officer			$323.54
	Less: Additional Cost Allowed November 1958 MF-104		
Rare Metals Corporation of America, Weiser, Idaho, invoice dated Dec. 17, 1958, charges for assays performed Nov. 24, 1958.			
40 assays (mercury) at $3.00 each		$120.00	
Operator claimed contract estimate of 40 Assays (mercury) at $2.50 each		100.00	20.00
Total			$303.54
	Less: Reinstatement by GME Auditor		
Finance Officer disallowed $300.00 for Supervision on October 1958 MF-104, pending completion of surveying, sampling and mapping. This work is now complete.			$300.00
Net Disallowance			$ 3.54

Government's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 10 1958

DATE	INITIALS	CODE
10/10	C	220
10/13	WSM	400

Long
Sleeper
App'd. Sol. Off.
Hopkins
Martin
Talbyt
Selfridge
Johnson

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

AMENDMENT NO. 1

It is agreed this 23d day of September, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Mac D. Mining Corporation, that Exploration Project Contract No. Idm-E1201 (Docket No. DMEA-4892) dated June 6, 1958, is amended as of the date of the Contract as follows:

1. In Article 3 the date on or before which work is to be commenced is extended from August 1, 1958, to October 15, 1958, and the date on or before which the work is to be completed is extended from September 1, 1958, to December 1, 1958.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mitchell
ACTING Director, Office of Minerals Exploration

MAC D. MINING CORPORATION

By C. W. McDowell

Title Vice President

JUSTIFICATION

For extension of starting time and completion time, Contract No. Idm-E1201 (Docket No. DMEA-4892) Mac D. Mining Corporation

Due to the inability to obtain a tractor on or before the designated starting period the Operator was unable to start the work. A tractor has now been obtained and work will be started at once.

Contract

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 30 1958

DATE	INITIALS	CODE

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4892

Commodity Mercury

Contract No. Idm-E 1201

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 6 JUN 1958 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mac D. Mining Corporation, an Idaho Corporation, whose mailing address is 2414 Woodlawn Street Boise, Idaho, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and 3 maps.

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of ~~x~~assignments of 2 leases[7] recorded in Book ....., page ....., official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien and Subordination Agreements by Thomas P. Booth and Hannah Booth and Earnest Booth and Ellen Booth, and Elijah Elmer Pierce and Ida Alice Pierce

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mercury. The work to be performed is described in Exhibit "A." The Operator on or before AUG 1 1958 shall commence the work, and on or before September 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have expended an amount equal to the allowable costs (see Article 8) in accordance with the estimate set forth in Exhibit "A"~~ except as otherwise provided in Exhibit "A" with respect to Stages of Work. See Article 13

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 6,748.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $ 3,374.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~2~~ 8. **See Article 13.**

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *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 13. *Changes and added provisions.*—
(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."
(b) In the last sentence of Article 6(c) the words "Article 8" are substituted for the words "Article 9."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

MAC D. MINING CORPORATION
(Operator)

By W. R. McDowell

Title President

I, C. W. McDowell, certify that I am the Acting secretary of the corporation named as Operator herein; that W. R. McDowell who signed this contract on behalf of the Operator, was then President 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.

C. W. McDowell

[CORPORATE SEAL]

Long
Hunger
App'd Sol. Off.
Chapman
Martin
Chamberlin
Selfridge
Johnson

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

35485

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

ANNEX I

The land referred to in Article 2 of the contract consists of 8 unpatented lode mining claims, outlined in heavy lines on the attached Figure 2, all of which are situated in sections 1 and 12, T. 2 N., R. 5 W., Boise Meridian, Owyhee County, Idaho. The notices of location of the claims, to which reference is hereby made for a more complete description, are recorded in the official records of Owyhee County, Idaho, as follows:

Claim Name	Book No.	Page No.
Lucky Boy No. 1	25	41
Lucky Boy No. 2	25	43
Lucky Boy No. 3	25	45
Lucky Boy No. 4	25	47
Lucky Boy No. 5	25	81
Lucky Boy No. 6	25	113
Red Streak No. 1	25	65
Red Streak No. 2	25	67

The Operator is in possession of the claims pursuant to the terms of an Assignment, executed by W. R. McDowell, of two leases: one dated September 13, 1957, from Mr. and Mrs. Thomas P. Booth, and Mr. and Mrs. Earnest Booth, and another dated January 15, 1958, from Elijah Elmer Pierce and Ida Alice Pierce. Copies of the leases and Assignment are contained in DMEA Docket No. 4892.

Consent to Lien and Subordination Agreements executed by the above-mentioned lessors are attached and made a part hereof.

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mac D. Mining Co.
Docket No. DMEA- 4892
Contract No. Idm-E 1201
Contract Date June 6, 1958

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

~~Sunset No. 1, 2, 3, 4, 5, 6, 7, 8;~~ Red Streak No . 1 and 2; Lucky Boy No. 1, 2, 3, 4, 5, 6.

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

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

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

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

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

None

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

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

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

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

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

Dated this 19th day of June, 1958.

W R McDowell	[Seal]	2414 Woodlawn Boise, Idaho	[Address]
Ruby McDowell	[Seal]	2414 Woodlawn Boise Idaho	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, W R McDowell certify that I am the No ~~Secretary~~ (Secretary, etc.) of the corporation named herein; that _____ W.R. McDowell who signed this agreement ~~was then~~ is now _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

State of Idaho
County of Ada

On this 19th day of June 1958 before me, James R. Nall, a Notary Public in and for said State, personally appeared W.R. McDowell and Ruby McDowell, known to me to be the persons whose signatures are affixed to the within instrument, and signed the within instrument in my presence, certifying that such singantures were affixed as their free act and deed.

James R. Nall
James R. Nall, Notary Public
Residing at Boise, Idaho

My Commission expires March 5, 1961

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mac. D. Mining Co.
Docket No. DMEA- 4892
Contract No. Idm-E 1201
Contract Date June 6, 1958

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of ~~Owyhee~~, State of ~~Idaho~~, described as follows: 2/

~~Sunset Nos. 1, 2, 3, 4, 5, 6, 7, and 8; Red Streak, Nos. 1 and 2;~~

~~Lucky Boy Nos. 1, 2, 3, 4, 5, 6.~~

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

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

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

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

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

~~None~~

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

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

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

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

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

Dated this 13 day of June, 1958.

Ernest Booth	[Seal]	Meridian Idaho	[Address]
Ellen Booth	[Seal]	"	[Address]
Thomas J Booth	[Seal]	Caldwell Route 2	[Address]
Hannah Booth	[Seal]	Caldwell Route 2	[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

FOR ERNEST BOOTH AND ELLEN BOOTH

[illegible]

[illegible]

State of Idaho
County of Ada On this 13th day of June 1958 before me, James R. Nall, a Notary Public in and for said State, personally appeared Thomas J. Booth and Hannah Booth, known to me to be the persons whose signatures appear above and signed the within document in my presence.

James R. Nall, Notary Public
Residing at Boise, Idaho

My Commission expires March 5, 1961

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

5172

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mac D. Mining Co.
Docket No. DMEA- 4892
Contract No. Idm-E 1201
Contract Date June 6, 1958

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Sunset Nos. 1, 2, 3, 4, 5, 6, 7, and 8; Red Streak Nos. 1 and 2;

Lucky Boy Nos. 1, 2, 3, 4, 5, 6.

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

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

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

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

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

None

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

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

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

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

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

Dated this 14th day of June, 1958.

Elijah Elmer Pierce	[Seal]	211-No. 14th Street	[Address]
	[Seal]	Boise Idaho	[Address]
Ida Alice Pierce	[Seal]	211 No 14th Street	[Address]
	[Seal]	Boise Idaho	[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

STATE OF IDAHO,)
) ss.
County of Ada.)

On this 14 day of June, 1958, before me M. H. Greene, a Notary Public, in and for said State, personally appeared Elijah Elmer Pierce and Ida Alice Pierce, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowled to me that they executed the same.

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

M. H. Greene
Notary Public for Idaho
Residence: Boise, Idaho

My Commission Expires:
February 19, 1959.

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

EXHIBIT "A"

Description of the Work

The work is divided into two stages. The Operator shall perform the Stage I work and as much of the Stage II work as is approved in advance by the Government.

Attached are the following maps:

Figure 1. Location Map Mac D. Mining Company, Lucky Boy and Sunset groups of claims, Owyhee County, Idaho.

Figure 2. Sketch map of Lucky Boy and Sunset groups showing the area of proposed exploration.

Figure 3. Plan Map Showing Mineralized Exposures and Part of the Proposed Work on the Lucky Boy Nos. 2 and 3 Claims, Mac D. Mining Company, Owyhee County, Idaho.

Stage I

With a D-8 Caterpillar, or equivalent unit of another make, equipped with a ripper, bulldoze 6 or 7 trenches, aggregating an estimated 1000 feet of trenching, along and across shear zones, at the approximate locations shown on Figure 3. The trenching shall reach bed rock and shall average about 8 feet in depth. At points where mineralization is encountered in the cross trenches, the area shall be opened with longitudinal trenches.

Mineralized zones shall be sampled and assayed for mercury.

An engineer-geologist shall survey, sample and prepare maps of trenched area, and a supervisor shall be in direct charge of the work.

It is estimated that approximately 100 hours of bulldozer time, the services of the engineer-geologist for 4 days and the services of a supervisor for 1 month will be required to complete this stage.

Stage II

The mineralized zones shall be explored at depth by wagon drilling 17 holes at intervals of not less than 25 feet, to a maximum depth of 60 feet per hole. Holes shall be not less than 2½ inches in diameter, and the total drilling shall not exceed 1,000 feet. Drill sites shall be prepared with a TD-9 bulldozer or equivalent unit of another make. With the approval of the Government the operator may do this bulldozing on an actual cost basis at a price not higher than the price specified for independent contracts.

Holes shall be sampled at 5-foot intervals and assayed for mercury.

An engineer-geologist shall survey and map location points of drill holes and check the sampling. It is estimated that his work in this stage will require 4 days. A supervisor for this stage is estimated to require one month.

ESTIMATED COST OF THE PROJECT

Actual Costs

Stage I

Category (1) Independent Contracts		
Bulldozer trenching, 100 hours at $18.00/hr.	$1,800.00	
Transportation of equipment from and to Boise, Idaho	280.00	$2,080.00
Category (2) Personal Services		
Engineer-geologist, 4 days at $75.00/day	300.00	
Supervisor, 1 month	600.00	900.00

Category (3) Operating Materials and Supplies		
Gas, oil, etc.	$ 40.00	$ 40.00
Category (4) Operating Equipment-None except:		
Depreciation - 1 pick-up truck ($2,400.00) 1/60th	40.00	40.00
Category (5) Initial Rehabilitation and Repairs None	--	
Category (6) New Buildings, Fixtures and Installations None	--	
Category (7) Miscellaneous		
Transportation samples, assaying for mercury, 40 samples at $2.50/each sample	100.00	
Payroll taxes, insurance - $600.00 at 15 percent	90.00	
Travel for engineer-geologist	40.00	230.00
Estimated Total Cost Stage I		$3,290.00

Stage II

Category (1) Independent Contracts		
With TD-9 bulldozer, prepare 17 drill hole sites at $8.00/each	136.00	136.00
Category (2) Personal Services		
Engineer-geologist, 4 days at $75.00/day	300.00	
Supervisor, 1 month	600.00	
1 driller, 20 days at $18.00/day	360.00	
1 helper and sampler, 20 days at $16.00/day	320.00	$1,580.00

Category (3) Operating Materials and Supplies		$ 820.00	$ 820.00
Category (4) Operating Equipment			
Rental - 1-500 gallon water tank, 1 month		35.00	
Purchases - None			
Depreciation	Value		
1 - 420 cubic foot compressor	$6,000.00		
D-14 Cleveland wagon drill	750.00		
2-inch gas driven water pump	125.00		
1½ ton truck	2,400.00		
1 month 1/60th	$9,275.00	155.00	190.00
Category (5) Initial Rehabilitation and Repairs None		--	
Category (6) New Buildings, Fixtures, Installations None		--	
Category (7) Miscellaneous			
Transportation samples, assaying for mercury, 200 samples at $2.50/ each sample		500.00	
Payroll taxes, insurance, $1,280.00 at 15%		192.00	
Travel for engineer-geologist		40.00	732.00
Estimated Total Cost Stage II			$3,458.00

Estimated Total Cost of Stage I $3,290.00

Estimated Total Cost of Stage II $3,458.00

Estimated Total Cost of Project $6,748.00

Government participation at 50% $3,374.00

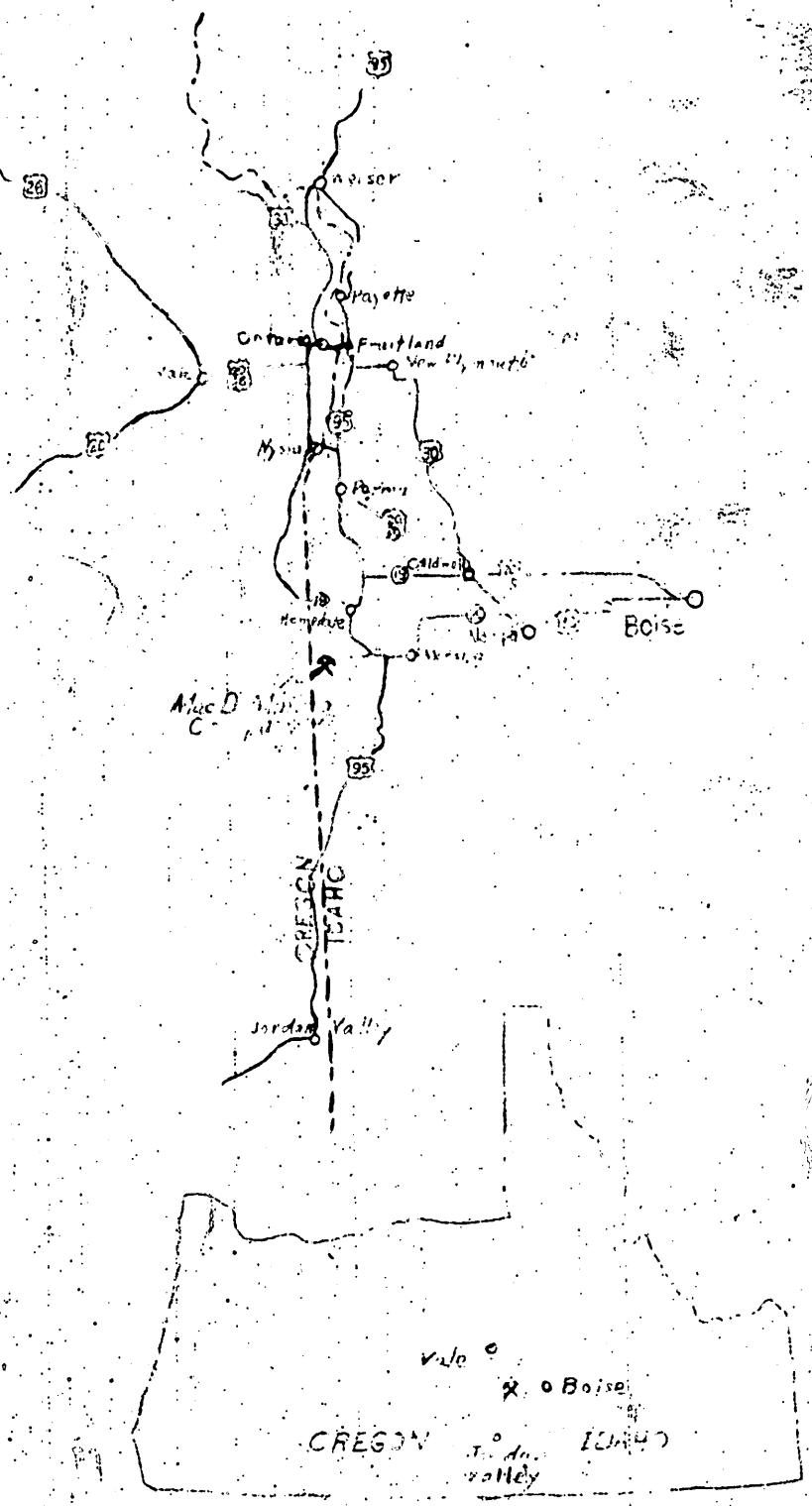

Figure 1. Location Map Mac D Mining Company
Lucky Boy and Silver Queen Claims
Owyhee County, Idaho

RECEIVED JUN 30 1958

DATE	INITIALS	CODE

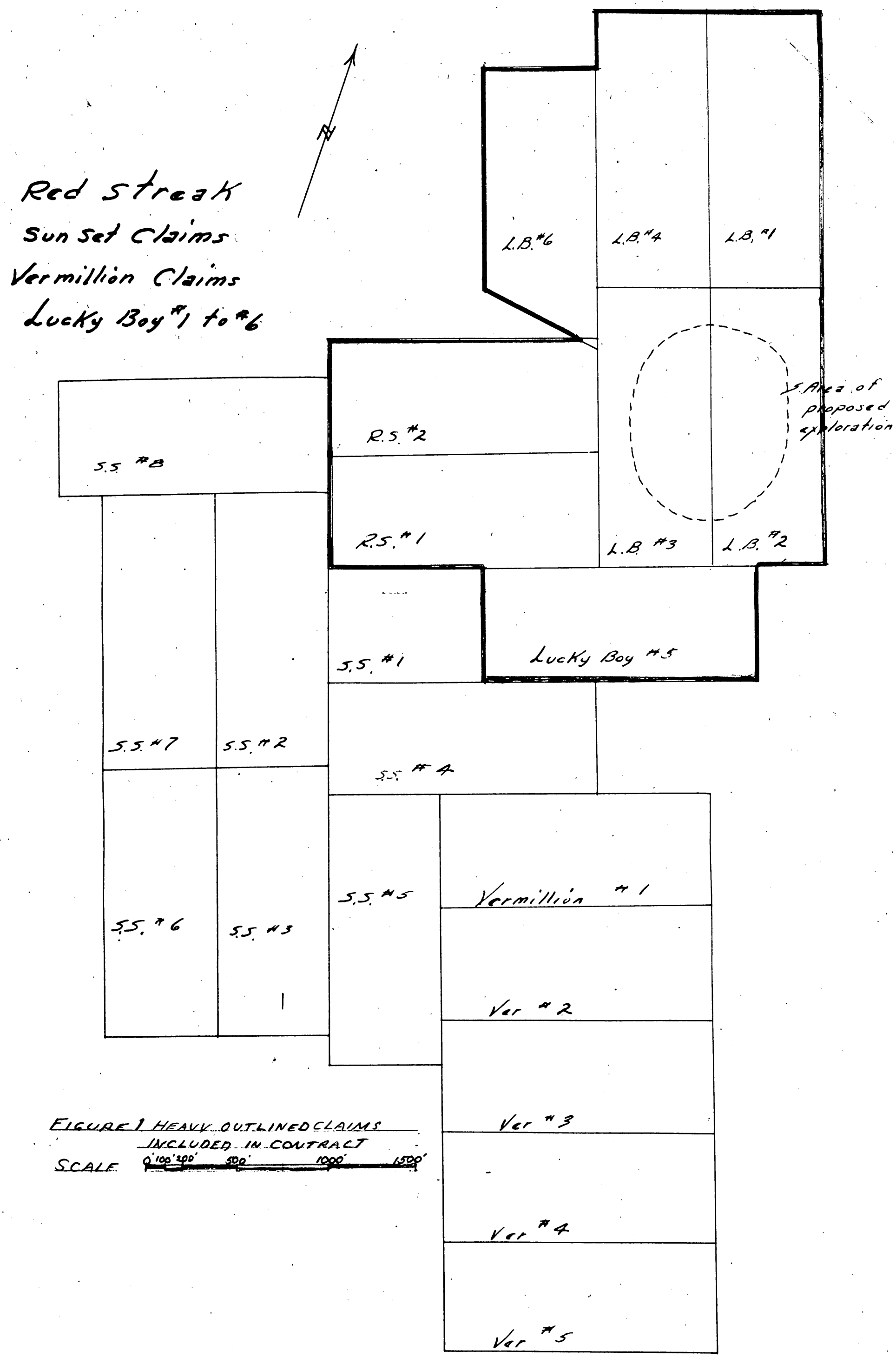

FIGURE 1 HEAVY OUTLINED CLAIMS INCLUDED IN CONTRACT

FIGURE 2

Docket No DMEA 4892

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ASSIGNMENT OF MINING LEASE

AND AGREEMENT

This Assignment of Mining Lease, and Agreement, made and entered into the 20 day of May, 1958, between W. R. McDOWELL and RUBY McDOWELL, Husband and wife, Assignors, and MAC D MINING COMPANY, a corporation, Assignee, WITNESSETH:

WHEREAS, the Assignors own and hold a certain lease of mining property made and entered into September 13, 1957, between Thomas P. Booth and Hannah Booth, husband and wife, and Earnest Booth and Elsa Booth, Husband and wife, Lessors, and W. R. McDOWELL, Lessee, upon the following described unpatented mining claims located in Owyhee County, Idaho, and recorded in the office of the Recorder of Owyhee County, as follows, to-wit:

Name of Claim	Book		Page
Sunset No. 1	25	Lode Claims	49
Sunset No. 2	25	Lode Claims	51
Sunset No. 3	25	Lode Claims	53
Sunset No. 4	25	Lode Claims	55
Sunset No. 5	25	Lode Claims	115
Sunset No. 6	25	Lode Claims	117
Sunset No. 7	25	Lode Claims	119
Sunset No. 8	25	Lode Claims	124
Red Streak No. 1	25	Lode Claims	65
Red Streak No. 2	25	Lode Claims	67
Lucky Boy No. 1	25	Lode Claims	41
Lucky Boy No. 2	25	Lode Claims	43
Lucky Boy No. 3	25	Lode Claims	45
Lucky Boy No. 4	25	Lode Claims	47
Lucky Boy No. 5	25	Lode Claims	81
Lucky Boy No. 6	25	Lode Claims	113

together with the appurtenances therein and thereunto appertaining, and,

WHEREAS, the above named Assignee, an Idaho corporation, desires to acquire such lease and the Assignors have agreed to assign the same upon the terms and conditions herein contained, and,

WHEREAS, the original Lessors have given their written consent to such assignment as required under the terms of the original Lease,

NOW THEREFORE, the Assignors and Assignee above named mutually agree as follows:

1. Assignors do hereby sell, convey, and assign unto the Assignee the above mentioned and descri bed mining lease together with all their rights therein giving and granting unto the assignee the same right and power to perform and enforce said lease as Assignors would have.

2. Assignee accepts said lease and agrees to assume and perform, without default or forfeiture, all provisions and conditions therein contained, and all of the obligations of Assignors thereunder.

3. The Assignee agrees to do the assessment work on said claims as required under the terms of the original lease and agrees to build and place an ore reduction and processing mill upon said property within two years from this date for the milling and processing of ores obtained from the above described mining property suitable in size and design to economically mill and process the ore which Assignee may mine and remove therefrom, the size and design to be determined by the Assignee.

4. Assignee shall, within sixty (60) days from this date, have available and deposit in some depository at Boise, Idaho, at least $10,000.00 to be used in the proper prespecting of the ore bodies upon this said property, as a good faith indication of the intent of Assignee to assume and carry out the terms of said lease agreement.

5. As further consideration for the assignment of this lease and of the rights of assignors therein, the Assignee agrees to prospect said mining property and if it is determined that mining operations may be profitably conducted thereon to build the ore mill as above provided and to thereafter carry on mining and milling of ore therefrom the extent and scope to be determined by assignee. Assignee agrees to pay Assignors a sum equal to 33 1/3 % of the net profits realized by Assignee from such mining operations. Such payment of this percentage of net profits shall be made within sixty days after the end of each fiscal year. In determining net profits, usual and ordinary business and accounting methods shall be employed in determining the operating expenses and deductions which Assignee may deduct from gross profits, including reasonable depreciation for capital assets of the Assignee used in such mining and milling operations . It is specifically agreed that at the option of Assignors they may require Assignee to pay such amount to them in cash or may require the Assignee, in lieu of cash, to issue to them common capital stock of the Assignee equal, at par value, to the amount or amounts payable to them by Assignee provided, however, that if at any such time or times the Assignors then hold an amount of common capital stock of the Company equal to 45% of the total issued common stock of the Company the Assignors may not require the Assignee to issue stock for such rental payments but such payments accrued to that time shall be paid to them in cash.

6. It is further agreed that the Assignee shall forthweith issue to Assignors an amount of common capital stock of the Assignee, at par value, equal to the actual amount of money expended by Assignor in the prospecting and development of the above described mining property to December 1, 1957.

7. Assignor, their agents or attorneys, may at any reasonable time inspect the books and records to be kept by Assignee to determine that the conditions of this assignment and agreement are being performed. Assignee shall keep complete and accurate records of its operation of the above described mining property.

8. Time is of the essence of this assignment and agreement. Should the Assignee fail to perform any provision or condition herein contained then this assignment and agreement shall be subject to forfeiture. Before such forfeiture is effective Assignor shall give the Assignee written notice of the claimed default or violation. Such notice may be delivered personally to any officer of the Assignee or may be given by mail. If by mail said notice shall be considered given upon deposit in any United States post office, postage prepaid, addressed to Assignee, c/o Claude Marcus, 625 First National Bank Bldg., Boise, Idaho. Should Assignee fail to perform and rectify any such default or violation of this agreement then and upon the expiration of 60 days from the giving of such notice, at the option of Assignors, this lease and option shall be terminated and Assignors may retake possession of said property.

9. This assignment and agreement may not be recorded without the written consent of Assignors.

10. This agreement shall benefit and bind the parties, their heirs, executors, administrators, successors and assigns.

DATED: May 23, 1958.

W R McDowell
Ruby McDowell
Assignors

MAC D MINING COMPANY
By W R McDowell
Assignee

STATE OF IDAHO)
) ss
County of Ada)

On this 20th day of May, 1958, personally appeared before me, a Notary Public in and for said county and state, W.R. McDOWELL and RUBY McDOWELL, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Paul S. Roberts
Notary Public for Idaho
Residence: Boise, Idaho

Commission Expires
1-27-62

STATE OF IDAHO)
) ss
County of Ada)

On this 23rd day of May, 1958, before me, a Notary Public in and for said county and state, personally appeared W R McDowell known to me to be the President of Mac D Mining Company, and acknowledged to me that said Mac D Mining Company executed the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Jessie H Patch
Notary Public for Idaho
Residence: Boise, Idaho

DMEA

LEASE OF MINING PROPERTY

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DATE	INITIAL	CODE

PARTIES: HELEN MINER PIERCE and
IDA ALICE PIERCE
Lessors,

W. R. McDOWELL,
Lessee,

DATE: ~~December~~ January 16, 1958

The above named Lessors have located the hereinafter named and described unpatented lode mining claims on Federal land open to such location and own the said unpatented lode mining claims free and clear of all liens or encumbrances, subject only to the paramount title of the United States, said claims being located in Owyhee County, Idaho, and recorded in the office of the Recorder of Owyhee County, in the records thereof as follows, to-wit:

Red Streak No. 1, Instrument No. 96570,
Book 25 Lode Claims, Page 65.

Red Streak No. 2, Instrument No. 96570,
Book 25 Lode Claims, Page 67.

Together with all of the appurtenances thereon and thereunto appertaining, including the minerals and mineral values therein.

The Lessors hereby give and grant unto Lessee an exclusive lease covering all of said mining claims and property upon the following agreed terms and conditions:

1. The Lessee may take possession of said mining property upon the execution of this agreement and retain possession thereof so long as the

terms and conditions of this lease agreement are performed and may prospect, mine and remove all of the minerals, ores, mineral values and other products therefrom to his own use and profit, subject, however, to the payment of the royalty as herein provided and the performance of the other conditions herein contained.

2. The Lessee shall have to and including December 1, 1957 in which to prospect the said property for the minerals therein. Should the Lessee desire to proceed with this lease after December 1, 1957, he shall, each assessment year thereafter, do the necessary annual assessment work for said claims as required under the laws of the United States, beginning with the assessment year ending July 1, 1958, and shall file the necessary affidavit of performance of such work in the office of the Recorder of Owyhee County, Idaho by each July 1 thereafter. In addition thereto, from and after March 1, 1958, the Lessee shall do and perform at least 7 eight-hour man shifts of labor per calendar month upon these said claims, or the equivalent thereof; provided, however, that the Lessee may shut down said work for a period of not exceeding 30 days per year for the purpose of repairing machinery or other equipment used in the development or working of said mining property; and provided further, that the Lessee shall be excused from any shut-down caused b

[illegible]ses, orders of the United States or of the State of Idaho, or caused by natural forces beyond the control of the Lessee.

3. This lease shall begin as of the date of this Lease Agreement and shall continue for a period of ten (10) years thereafter. The Lessors hereby give an exclusive option to renew said lease from year to year for an additional ten-year period. Said lease shall be automatically renewed from year to year unless the Lessee gives the Lessors notice of his desire to terminate said lease, such notice to be given in writing to Lessors, or any one of them, prior to the expiration of such lease year; thereupon such lease shall terminate at the end of the year in which such notice is given.

4. As rental for said property, the Lessee shall pay Lessors a royalty of 10% of the net mint or smelter returns from the sale of any mineral or other values or products sold by Lessee from this property. If the Lessee has the raw ore from this property milled or processed by other parties, he shall pay Lessors 10% of the net payment made to him by such other parties. If Lessee processes the ore in a plant or retort owned by him, he shall pay the Lessors 10% of any and all proceeds from the sale of the processed ores. The Lessee shall cause the 10% royalty to be paid directly to the Lessors as they may direct, and shall furnish Lessors a true and correct copy of any return or settlement received by him from the sale of

any values or other products mined from said property. No valuable ore or products of this property shall be removed therefrom except for the purpose of sale and payment of royalty thereon.

5. Lessors, their agents or attorneys, may, at any reasonable time, go upon and inspect said property and take essays of any ore which the Lessee may mine from said property, and inspect any of the underground workings of the Lessee, provided that said inspection does not interfere with operations of the Lessee.

6. All mining work done by the Lessee shall be performed in a good minerlike manner in accord with the laws of the United States and of the State of Idaho.

7. The Lessee shall protect and indemnify the Lessors and said property from and against any liens which may be filed thereon. Lessee shall prepare, post and record the employer's statement required under the terms of Section 44-501, Idaho Code.

8. The Lessee shall pay 90% of the mines license tax imposed by the State of Idaho and the Lessors shall pay 10% thereof.

9. The 10% royalty provided in Paragraph 4 shall also apply to any bonus or premium paid to the Lessee.

10. Any additional claims located by Lessors within the exterior boundaries of the above described unpatented claims, or any additional claims located by Lessors contiguous to any of the exterior boundaries of the above described claims, shall be

immediately subject to all the terms and conditions of this lease without further agreement between the parties, oral or written. Lessee shall have the right to locate any vacant ground areas within the exterior boundaries of said claims, or contiguous to the exterior boundaries of said claims, but any of such claims shall become subject to the terms and conditions of this lease agreement and become the property of the Lessors, subject to said lease agreement.

11. Any buildings placed upon said mining claims by the Lessee shall become appurtenant thereto and become a part of said claims, and shall not be removed by Lessee upon expiration of this lease. Any and all other machinery, equipment or other personal property placed upon said mining claims by the Lessee at his expense shall remain the property of the Lessee and may be removed by Lessee within a period of six months from and after the termination of this lease for any cause. During the period of this lease the Lessee shall pay any and all taxes assessed upon or against such personal property placed thereon by Lessee.

12. The Lessee is hereby given the right to patent any or all of the above described mining claims, or other claims which may be located hereafter and become subject to this lease, at his expense. The Lessors agree to fully cooperate with Lessee in any such patent application, but any patent or patents obtained thereon shall be in the name of Lessors and,

after patent, such claim or claims shall continue to be subject to the terms and conditions of this lease agreement.

13. The Lessee shall, during this lease, have exclusive control of said property and shall determine the method, manner and extent of his mining operations and prospecting thereon without interference from the Lessors but subject to all the terms and conditions herein contained.

14. Should the lessee violate any term or condition herein contained, then this lease and all rights herein granted to lessee shall [illegible] forfeiture and this lease subject to [illegible] provided, however, that before such forfeiture is effective the Lessors shall give Lessee written notice of the claimed default or violation of this lease. Such written notice may be delivered personally to Lessee, or may be given by mail; if given by mail the same shall be considered given upon deposit in any United States Postoffice, postage prepaid, addressed to Lessee at 2414 Woodlawn St., Boise, Idaho, or sent to any other address which he may later furnish the Lessors in writing. Should the Lessee fail to rectify or perform such default or violation within 60 days after said notice is given, then and thereupon this lease and all rights herein granted to Lessee shall be completely forfeited and said lease terminated, and in the event of such forfeiture occurring, the possession of said property shall

be given the Lessors, but such forfeiture shall not waive the payment of any amount of money due and payable to Lessors from Lessee under the terms of this lease at the time such forfeiture occurs.

15. Lessee may assign this lease with the written consent of Lessor. Lessor shall not unreasonably withhold such consent to assignment.

16. This lease agreement shall benefit and bind the parties, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, said parties have hereunto their hands this 15 day of ~~December~~ January, 1958.

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DATE | INITIAL | CODE

Elijah Elmer Pierce
Ida Alice Pierce
Lessors

W. R. McDowell
Lessee

STATE OF IDAHO)
(ss
County of Ada (

On this 15 day of ~~December~~ January, 1958, before me, a Notary Public in and for said county and state, personally appeared ELIJAH ELMER PIERCE and IDA ALICE PIERCE, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

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

Notary Public for Idaho
Residing at Boise, Idaho

State of Idaho)
(ss
County of Ada)

On this 27 day of ~~November~~ January, 1958, before me, a Notary Public in and for said county and state, personally appeared W. R. McDOWELL, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

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

Otis Harris
Notary Public for Idaho
Residing at Boise, Idaho

DMEA

LEASE OF MINING [illegible]

OFFICIAL FILE COPY
DMEA
RECEIVED APR 28 1959

DATE	INITIALS	WPE

PARTIES: THOMAS P. BOOTH and
HANNAH BOOTH,
Husband and wife, and
FARNEST BOOTH and
ELLEN BOOTH,
Husband and wife,
Lessors,

W. R. McDOWELL
Lessee

DATE: September 12, 1957.

The above named Lessors have leased to the hereinafter named and described unpatented lode mining claims or Federal land open to such location and own the said unpatented lode mining claims free and clear of all liens or encumbrances, subject only to the paramount title of the United States, said claims being located in Owyhee County, Idaho, and recorded in the office of the Recorder of Owyhee County, in the records thereof as follows, towit:

Sunset No. 1, Instrument No. 96291
Book 25, Lode Claims Page 1

Sunset No. 2, Instrument No. 96291
Book [illegible] Lode Claims Page [illegible]

Sunset No. 3, Instrument No. 96291,
Book 25, Lode Claims, Page [illegible]

Sunset No. 4, Instrument No. 96291,
Book 25, Lode Claims, Page [illegible]

Lucky Boy No. 1, Instrument No. 96290,
Book 25, Lode Claims, Page [illegible]

Lucky Boy No. 2, Instrument No. 96290,
Book 25, Lode Claims, Page [illegible]

Lucky Boy No. 3, Instrument No. 96290,
Book 25, Lode Claims Page [illegible]

Lucky Boy No. 4, Instrument No. 96290,
Book 25, Lode Claims, Page [illegible]

Lucky Boy No. 5, Instrument No. _____
Book 25 Lode Claims, Page _____

Lucky Boy No. 6, Instrument No. _____
Book _____ Lode Claims, Page _____

Lucky Boy No. 7, Instrument No. _____
Book _____ Lode Claims, Page _____

Lucky Boy No. 8, Instrument No. _____
Book _____ Lode Claims, Page _____

Together with all of the appurtenances therein and thereunto appertaining, including the minerals and mineral values therein.

The Lessors hereby give and grant unto Lessee an exclusive lease covering all of said mining claims and property upon the following agreed terms and conditions:

1. The Lessee may take possession of said mining property upon the execution of this agreement, and retain possession thereof so long as the terms and conditions of this lease agreement are performed and may prospect, mine and remove all of the minerals, ores, mineral values and other products therefrom to his own use and profit, subject, however, to the payment of the royalty as herein provided and the performance of the other conditions herein contained.

2. The Lessee shall have to and including December 1, 1957 in which to prospect the said property for the minerals therein. Should the Lessee desire to proceed with this lease after December 1, 1957, he shall, each assessment year thereafter, do the necessary annual assessment work for said claims as required under the laws of the United States, beginning with the assessment year ending July 1, 1958, and shall file the

necessary affidavit of performance of such work in the office of the Recorder of Owyhee County, Idaho by each July 1 thereafter. In addition thereto, from and after December 1, 1957, the Lessee shall do and perform at least 52 eight-hour man shifts of labor upon said mining property per calendar month during the term of this lease or the equivalent thereof; provided, however, that the Lessee may shut down said work for a period of not exceeding 30 days per year for the purpose of repairing machinery or other equipment used in the development or working of said mining property; and provided further, that the Lessee shall be excused from any shut-down caused by strikes, orders of the United States or of the State of Idaho, or caused by natural forces beyond the control of the Lessee.

3. This lease shall begin as of the date of this Lease Agreement and shall continue for a period of ten (10) years thereafter. The Lessors hereby give an exclusive option to renew said lease from year to year for an additional ten-year period. Said lease shall be automatically renewed from year to year unless the Lessee gives the Lessors notice of his desire to terminate said lease, such notice to be given in writing to Lessors, or any one of them, prior to the expiration of such lease year; thereupon such lease shall terminate at the end of the year in which such notice is given.

4. As rental for said property, the Lessee shall pay Lessors a royalty of 10% of the net mint or smelter returns from the sale of any mineral or other values or products sold by Lessee from this property. If the Lessee has the raw ore from this

property milled or processed by other parties, he shall pay Lessors 10% of the net payment made to him by such other parties. If lessee processes the ore in a plant or retort owned by him, he shall pay the Lessors 10% of any and all proceedsfrom the sale of the processed ores. The Lessee shall cause the 10% royalty to be paid directly to the Lessors as they may direct, and shall furnish Lessors a true and correct copy of any return or settlement received by him from the sale of any values or other products mined from said property. No valuable ore or products of this property shall be removed therefrom except for the purpose of sale and payment of royalty thereon.

5. Lessors, their agents or attorneys, may, at any reasonable time, go upon and inspect said property and take assays of any ore which the Lessee may mine from said property, and inspecy any of the underground workings of the Lessee, provided that said inspection does not interfere with operations of the Lessee.

6. All mining work done by the Lessee shall be performed in a good minerlike manner in accord with the laws of the United States and of the State of Idaho.

7. The Lessee shall protect and indemnify the Lessors and said property from and against any liens which may be filed thereon. Lessee shall prepare, post and record the employer's statement required under the terms of Section 44-501, Idaho Code.

8. The Lessee shall pay 90% of the mines license tax imposed by the State of Idaho and the Lessors shall pay 10% thereof.

9. The 10% royalty provided in Paragraph 4 shall also apply to any bonus or premium paid to the Lessee.

10. Any additional claims located by Lessors within the exterior boundaries of the above described unpatented claims, or any additional claims located by Lessors contiguous to any of the exterior boundaries of the above described claims, shall be immediately subject to all the terms and conditions of this lease without further agreement between the parties, oral or written. Lessee shall have the right to locate any vacant ground areas within the exterior boundaries of said claims, or contiguous to the exterior boundaries of said claims, but any of such claims shall become subject to the terms and conditions of this lease agreement and become the property of the Lessors, subject to said lease agreement.

11. Any buildings placed upon said mining claims by the Lessee shall become appurtenant thereto and become a part of said claims, and shall not be removed by Lessee upon expiration of this lease. Any and all other machinery, equipment or other personal property placed upon said mining claims by the Lessee at his expense shall remain the property of the Lessee and may be removed by Lessee within a period of six months from and after the termination of this lease for any cause. During the period of this lease the Lessee shall pay any and all taxes assessed upon or against such personal property placed thereon by Lessee.

12. The Lessee is hereby given the right to patent any or all of the above described mining claims, or other claims which may be located hereafter and become subject to this lease, at his expense.

The Lessors agree to fully cooperate with Lessee in any such patent application, but any patent or patents obtained thereon shall be in the name of Lessors and, after patent, such claim or claims shall continue to be subject to the terms and conditions of this lease agreement.

13. The Lessee shall, during this lease, have exclusive control of said property and shall determine the method, manner and extent of his mining operations and prospecting thereon without interference from the Lessors but subject to all the terms and conditions herein contained.

14. Should the Lessee violate any term or condition herein contained, then this lease and all rights herein granted to Lessee shall be subject to forfeiture and this lease subject to termination; provided, however, that before such forfeiture is effective the Lessors shall give Lessee written notice of the claimed default or violation of this lease. Such written notice may be delivered personally to Lessee, or may be given by mail; if given by mail the same shall be considered given upon deposit in any United States Postoffice, postage prepaid, addressed to Lessee at Caldwell Rt 2, Boise, Idaho, or sent to any other address which he may later furnish the Lessors in writing. Should the Lessee fail to rectify or perform such default or violation within 60 days after said notice is given, then and thereupon this lease and all rights herein granted to Lessee shall be completely forfeited and said lease terminated, and in the event of such

forfeiture occurring, the possession of said property shall be given to Lessors, but such forfeiture shall not waive the payment of any amount of money due and payable to Lessors from Lessee under the terms of this lease at the time such forfeiture occurs.

15. Lessee may assign this lease with the written consent of Lessor, Lessor shall not unreasonably withhold such consent to assignment.

16. This lease agreement shall benefit and bind the parties, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, said parties have hereunto set their hands this 13 day of September, 1957

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DATE | INITIALS | CODE

s/ Ernest Booth
s/ Ellen Booth
s/ Hannah Booth
s/ Thomas J. Booth
Lessors

s/ W. R. McDowell

STATE OF IDAHO)
(ss
County of Ada)

On this 13 day of September, 1957, before me, a Notary Public in and for said county and state, personally appeared THOMAS P. BOOTH and HANNAH BOOTH, husband and wife, and EARNEST BOOTH and ELLEN BOOTH, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

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

s/ W. E. Mayes
Notary Public for Idaho
Residing at Boise, Idaho

STATE OF IDAHO)
) ss
County of Ada)

On this ___ day of September, 1957, before me a Notary Public in and for said county and state, personally appeared W. R. McDOWELL, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

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

Notary Public for Idaho
Residing at Boise, Idaho

THE STATE OF IDAHO

GEO. A. McDOWELL
INSPECTOR OF MINES
BOISE, IDAHO

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DMEA

December 10, 1957

RECEIVED DEC 16 1957

DATE	INITIALS	CODE

A. E. Weissenborn
Executive Officer
D.M.E.A. Field Team
Room 157 Howard St.
Spokane 4, Washington

Dear Mr. Weissenborn:

In filing our application for a D.M.E.A. loan, I failed to list the Book and Page numbers of the Claims. They are as follows:

Sunset #1	Book 25	Page 49
Sunset #2	Book 25	Page 51
Sunset #3	Book 25	Page 53
Sunset #4	Book 25	Page 55
Lucky Boy #1	Book 25	Page 41
Lucky Boy #2	Book 25	Page 43
Lucky Boy #3	Book 25	Page 45
Lucky Boy #4	Book 25	Page 47
Lucky Boy #5	Book 25	Page 81
Red Streak #1	Book 25	Page 65
Red Streak #2	Book 25	Page 67

All are lode claims: There are 12 more claims filed on but they have not been returned from the Owyhee County Recorders office.

You will also find enclosed, three assay reports. These samples were taken in the presence of G. W. McDowell.

If there is anything further, please let us know,

Yours very truly,

Geo. A. McDowell
INSPECTOR OF MINES

DEC 11 1957

GAMcD:lh

DMEA

R. R. GASTO P. M. CRISMON ORRIN FISHER HAROLD E. CULVER

PHONE EM 3-7417

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

P. O. BOX 1708

REPORT OF ASSAY

E. E. Pierce SALT LAKE CITY, UTAH June 24, 1957

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	Per-cent Mercury				
	1	4.01				

80 Pounds

REMARKS

CHARGES 2.00 Paid

CRISMON & NICHOLS

BY

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE

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DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE

R. R. CASTO
P. M. CRISMON
ORRIN FISHER
HAROLD E. CULVER

PHONE EM 3-[illegible]

CRISMON & NICHOLS
ASSAYERS AND CHEMISTS
229-231 SOUTH WEST TEMPLE STREET

P. O. Box 170

REPORT OF ASSAY

[illegible] Pierce

SALT LAKE CITY, UTAH February 25, 1957

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS

DESCRIPTION	NO.	Per cent Mercury				
		0.68				

REMARKS:

CHARGES $ 2.00- $2.50 Paid, 50¢ refund.

CRISMON & NICHOLS

BY

P. M. CRISMON ORRIN FISHER HAROLD E. CULVER

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

P. O. Box 1708

REPORT OF ASSAY

[illegible] Pierce

SALT LAKE CITY, UTAH April 5, 1957

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	Per-cent Mercury				
	1	0.3				

REMARKS:

CRISMON & NICHOLS

CHARGES $ 2.00

By

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 195
DATE CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE

December 3, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: New Application (Mercury)
Mac D. Mining Corporation
Sun Set #1-4, Vermillion 1-6 and
Lucky Boy #1-8 claims
Owyhee County, Idaho

Dear Mr. Selfridge:

Enclosed are an original and two copies of an application signed by C. W. McDowell as vice-president and general manager and transmitted by Geo. A. McDowell, Inspector of Mines for the State of Idaho. Only one copy of the attachment to the form was received so we have made thermofax copies to attach to the other copies of the application.

We have retained one copy of the application for our files.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Geologist

OFFICIAL FILE COPY
BMEA
RECEIVED DEC 6 1957

DATE	INI[illegible]	CODE

Form MF-103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

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

W. R. McDowell, President
Mac D. Mining Corporation
2414 Woodlawn St.
Boise, Idaho

RECEIVED
NOV 29 1957
U.S.G.S.
SPOKANE, WASH.

RECEIVED
DEC 6
D.M.E.A.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4892
Date Received: 12/6/57
Government Participation %:
Region: I
Division Code: 400

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: ?

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
W. R. McDowell,	2414 Woodlawn, Boise, Idaho	President
C. W. McDowell,	1611 North 19th, Boise, Idaho	Vice-Pres.
Claude Marcus,	Idaho First Nat'l Bank Bldg., Boise, Idaho	Agent

Mineral(s) for which you wish to explore: mercury

Estimated Cost of Project: $ 10,000

LOCATION OF PROPERTY

Name	County	State
	Owyhee	Idaho

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Revised, "Government Aid in Defense Exploration Projects." 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 four 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 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. 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 2(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 Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA 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.

11-27-57
Dated

C. W. McDowell
BY *(Signature)*

V-Pres General Manager
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. *Applicant's Property Rights:*

(a) 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 land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *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 lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in *2(a)*.

(c) State, as far as 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 on the property giving quantities and grades and sampling methods used, supporting 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 may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work*. Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the 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 *property boundaries* or to the closest identifiable corner.

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

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, 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. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. 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 operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *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 on the exploration project.

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

(g) Miscellaneous. For the operating equipment listed in *6(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in *6(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 – 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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

IN-DUP. SEC., WASH., D.C. 25960

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DMEA
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DATE | INITIALS | CODE

Exploration Loan

1. Applicants property rights.

   (a). Township 2 North, Range 6 West, Sections 1 and 12, Range 5 West, Sections 6 and 7.
   Recording Office Murphy, Owyhee County, State of Idaho
   Book No. Page No.

   (b). Sun Set # 1 to 4 - Vermillion 1 to 6 - Lucky Boy # 1 to 8

   (c). Leased by W. R. McDowell

   (d). None

2. Physical discription, Exploration work.

   (a). 1490' cat cuts
   2 miles road
   10 holes and cuts made by hand
   No production

   (b). All work has been done by C. W. McDowell and W. R. McDowell.

   (c). This is a new discovery - No previous work or production.

   (d). The North end being lower ground is a large low grade mineral zone with small high grade Opelite vein running through in all directions. Veinlets are from $\frac{1}{4}$" to 18" in width and as high as 200 ' of mercury per ton. This zone is about 2,000' long. The South end is about 1,000' higher and is Opelite veins from 1" to 30" in width, length unknown, ore is exposed for about 70' or 80'. These veins will run from lowgrade to high grade of 200 lbs. of mercury per ton.

   (e). The deposit is opelite in shale and sandstone bedding.

   (f). We expect to find good ore because of the large and strong mineralized zone with the high grade veins running through it, also the opelite veins in the shale. This deposit is very simalar to the Rare Metals Corporation of America mercury property near Weiser, Idaho.

   (g). None

3. Accessibility of property

   (a). C. W. McDowell, 2414 Woodlawn St., Boise, Idaho.
   Property is 45 miles from Boise, Idaho and about 8 miles South of Homedale and about 9 miles West of Marsing, Idaho in Owyhee County, all good road except the last 2 miles.

   (b). Homedale, Idaho

4. Exploration project.

   (a). Drilling about 4,000' of $2\frac{1}{2}$" holes (Each hole 50' in depth.)
   An additional 1,000' of cat cuts.

   (b). We plan to build about 1 3/4 miles of road on Section lines to improve accessability, to be built with cat and grader.

   (c). We plan to start drilling in about 10 days. Drilling, road building and testing will take about $3\frac{1}{2}$ months.

5. Experience

(a). I have worked at quartz mining, milling, placer mining, and dredge mining. I have had 20 years experience in the mining field.

6. Estimated cost.

Drilling & Testing	$3,000.00
Cat Work-(Cut & roads)	2,000.00
Expenses & repairs	1,000.00
Engineering	1,000.00
Labor	3,000.00
Total	$10,000.00

(a). None

(b). There will be two men on the exploration, myself and one man with experience in this type of work. Employees are available.

(c). 500 gal. of diesel fuel
200 " " gas
oil and grease for cat, compressor and wagon drill
500 gal water tank for water supply

(d). Operating equipment owned by applicant

TD-9 cat with dozer	fair market value	4500.00
420 db. ft' compressor		6000.00
D14 Cleveland wagon drill		750.00
J35 Jackhammer		150.00
200' air hose		100.00
100' water hose		75.00
52' 1 1/8" drill steel, sleeves and bits		250.00
70' 3/4" " " and bits		150.00
2" gas driven water pump		125.00
18' trailer house		750.00

(e). Installations, operating equipment owned by application listed above in 6. (d). At the present time there is no buildings on the property. The equipment owned by applicant is in good repair.

(f). None at this time. No building will be put on the property until the drilling program is complete.

(g). Miscellaneous

Cat repair and maintenance for 3 months	250.00
Compressor repair and maintenance for 3 months	250.00
Wagon drill " " " " " "	75.00
all the rest of equipment	175.00
	750.00
Accounting	100.00
Working comp.	50.00
Payroll tax	50.00
Other expenses Misc.	50.00

7. Cost of project.

(a). We will be prepaired to furnish our share of the exploration.

(b). By use of equipment owned by our company to the extent of its value, the rest by money.

Project Summary Report

By: F. M. Murphy August 5, 1959

1. Docket No. DMEA-4892 (Mercury)
Contract No. Idm-E1201
Operator: Mac D. Mining Corp.
2414 Woodlawn Street
Boise, Idaho
Operator's Property Rights:
Lessee of Lucky Boy Nos. 1 through 6 and Red Streak Nos. 1 and 2 claims, situate in secs. 1 and 12, T. 2 N., R. 5 W., Boise Mer., Owyhee County, Idaho.

2. Contract, dated June 6, 1958
Amendment No. 1, September 23, 1958, extends starting date to October 15, 1958, and completion date to December 1, 1958.

Work Authorized and Completed:

Stage I (6 trenches)	Units Authorized	Units Completed	Unit Cost	Total Cost
Trenching-Bulldozer	100 hrs.	100 hrs.	$18.00/hr.	$1,800.00
Transport Bulldozer	$280	$280	---	280.00
Eng. Geologist	4 days	4 days	$75/day	300.00
Supervision	1 mo.	1 mo.	$600/mo.	600.00
Supplies	$40.00	$16.46	---	16.46
Depreciation (pickup)	$40.00	$40.00	---	40.00
Assays for Hg.	$40.00	$40.00	$3/sample	120.00
Travel allowance	$40.00	$40.00	---	40.00
Taxes & Ins.	$90.00	---	---	---
Actual Total Cost Stage I				$3,196.46

Stage II (17 Wagon drill holes)	Total Cost Authorized	Units Completed
Drill sites (17)	$ 136.00	None
Personal services	1,580.00	"
Operating supplies	820.00	"
Equipment (rental)	35.00	"
Equipment (depreciation)	155.00	"
Assays for Hg.	500.00	"
Travel allowance	40.00	"
Taxes & Ins.	192.00	"

Estimated Cost Stage II $3,458.00

Total Estimated Cost of Project $6,748.00
Actual Cost of Work Completed $3,196.46

3. Certification not recommended.

4. Audit Report of Review, April 13, 1959.

Total cost as billed by Operator	$3,200.00
Exceptions:	3.54
Total Accepted Cost	$3,196.46
Government Participation @ 50%	$1,598.23

5. Final Reports:

Operators: Received April 9, 1959.
The report, though brief, is considered acceptable.

Field Team's: Received in Washington April 24, 1959.
The field examiners and Field Team recommend that the project should not be certified.

Excerpts from Final Report by H. F. Albee, USGS, and W. M. Romischer, USBM:

The claims lie along the southwestern edge of the Snake River Plains at an altitude of about 2,500 feet. Rocks underlying the property are rhyolite, interbedded tuff, tuffacceous sandstone, and shale beds.

In the claims area cinnabar occurs in opalized and jasperized breccia zones in volcanic ash beds, tuffs, and in opalized dike-like breccia zones in the rhyolite.

The structural control and altitude of the breccia zones could not be determined from the exposures. Exposures in the six trenches cut in Stage I show the breccia zones to be shallow and without continuity. Apparently all the known mercury-bearing material had been removed by the surface trenching leaving no target for the wagon drilling authorized under Stage II of the contract.

Comments:

The Operator completed the project work in a satisfactory manner. However, unless new geologic targets are discovered additional aid to explore the subject property is not recommended.

Assays of samples from the trenches ranged from nil to 0.1 pound of mercury per ton.

F. M. Murphy

F. M. Murphy

☒ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Aug 4, 1959
Incl. Voucher for Nov. 1958

☒ Actual Cost

☐ Agreed Unit Costs

Name Mac D. Mining Corp.

Docket No. 4892

State Idaho

Commodity Mercury

Idm-E No. 1201

Owyhee County

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Wagon. 2½" diam.	1000'	2958.00			
Surface Excavation 6 trenches		3190.00		3076.00	3076.46
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assays for Hg.		600.00		120.00	120.00
Totals		$6748.00		$3076.00	$3076.46

Prepared by F. M. Murphy

71626

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/5	Selfridge	120
	On leave	500
2/5	Talbot	800
"	Johnson	110
"	Franch	100
		220

2-11-63

Mr. Willard L. Kennon
P. O. Box 266
Star, Idaho

Re: DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., Claims
Owyhee County, Idaho
Contract Idm-E1201

Dear Mr. Kennon:

The only information relative to DMEA or OME projects which is available to the public is the following:

Name of Operator
Location--State and County
Mineral commodity
Total estimated cost
Total estimated Government participation

Other information pertaining to a project is considered confidential and for Government use only. Therefore, we regret that the specific information you request cannot be furnished.

The DMEA contract with the Mac D. Mining Corporation provided for a two-stage project estimated to cost $6,748.00 with Government participation not in excess of $3,374.00. As the results of the Stage I exploration did not warrant Stage II, the DMEA did not approve the latter stage, thereby terminating the contract.

Why such reports as you mention circulate is hard to understand, based both on the project results and the fact that all Government personnel involved in the program had been cautioned as to the confidentiality of the DMEA docket information.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren/my
Rewritten: GCSelfridge/gla
(2-5-63)
cc to: Region I (2)
Director's Reading File
GCSelfridge
Docket DMEA-4892

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/5	GCS	~~120~~
	On leave	500
2/5	Talbot	800
"	Johnson	110
"	Frost	100
		220

AIRMAIL

FEB 6 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., Claims
Owyhee County, Idaho
Contract Idm-E1201

Enclosed is your letter with copies to Mr. Kennon. Also enclosed is a suggested letter which, if you approve, can be sent him. The latter deals in generalities rather than specifics. The information is given to Mr. Kennon as he is an officer of the company.

George C. Selfridge (gla)

Enclosures

GCSelfridge/gla (2-5-63)
cc to: Director's Reading File
Review Committee
GCSelfridge
Docket DMEA-4892
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
January 29, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 31 1963

DATE	INITIALS	CODE
		120
		800
		500
		~~[illegible]~~
		100

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., Claims
Owyhee County, Idaho
Contract Idm-E1201

Enclosed is a copy of a letter dated January 25, 1963, from Willard L. Kennon requesting information regarding the subject contract.

It appears from Mr. Kennon's letter that exaggerated reports, some of which are attributed to DMEA personnel, are being issued for the purpose of selling stock. Upon reviewing the Field Team final report and the assays of samples taken by the Operator, I find that assays of 52 samples ranged from nil to 0.1 pounds mercury per ton.

In view of Kennon's statement and the assays I have enlarged upon the usual reply given to such requests but am forwarding my reply to you for your consideration before mailing. If you concur with my reply, kindly date, mail, and return a copy for our files.

D. R. MacLaren

D. R. MacLaren

Enclosures

[illegible] MINING CO., INC.

[illegible] Falmouth Ave., [illegible], Idaho

[illegible] January [illegible]

[illegible] Geological Survey ✓ [illegible] Mining Co., Inc.
[illegible] General Exploration
[illegible]
[illegible]

[illegible]

[illegible]

So. 157 Howard Street
Spokane 4, Washington

Original and copies returned to
Mr. MacLaren

Mr. Willard L. Kennon
P. O. Box 266
Star, Idaho

Re: DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., Claims
Owyhee County, Idaho
Contract Idm-H1201

Dear Mr. Kennon:

The only information relative to DMEA or OME projects which is available to the public is the following:

Name of Operator
Location--State and county
Mineral commodity
Total estimated cost
Total estimated Government participation

Other information pertaining to a project is considered confidential and is for the use of the Government only. We regret that we cannot provide the specific information you request. However, in view of the last sentence of the second paragraph of your letter, I believe that it might be in order to say in general terms that with DMEA assistance six trenches were bulldozed to depths of three to eight feet; that the trenches were sampled across most of their lengths and several check samples were made. Assays ranged from nil to 0.1 pounds mercury per ton.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my

cc: OME
Reading copies to:
Malan
McKelvey

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Murphy	500
	Murphy	500
10/5	Talbert	800
10/12	Selbridge	120
"	Johnson	110
		220
		225

OCT 12 1959

Mr. Elijah Elmer Pierce and
Mrs. Ida Alice Pierce
211 N. 14th Street
Boise, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-X1201

Dear Mr. and Mrs. Pierce:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 14, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

Rewritten 10/9/59
FMMurphy/GMcC

cc: Docket
Director's Reading File
OME Field Team, Region I (2)
Chron.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Murphy	500
		500
10/5	Talbot	800
		120
		110
		220
		225

Mr. Elijah Elmer Pierce and
Mrs. Ida Alice Pierce
211 N. 14th Street
Boise, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Sun Set, Vermillion and Lucky Boy
Groups of Claims
Owyhee County, Idaho
Contract No. Idm-E1201

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Sincerely yours,

Acting Director

Enclosure

FMMurphy/gla 8-12-59
cc to: Director's Reading File
OME Field Team, Region I (2)
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Murphy	500
	[illegible]	500
10/5	Talbert	800
10/12	Selfridge	120
"	Johnson	110
		220
		225

OCT 12 1959

Mr. W. R. McDowell and
Mrs. Ruby McDowell
Route 1
Eagle, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. and Mrs. McDowell:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 19, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

Rewritten 10/9/59
FMMurphy/GMcC

cc: Docket
Director's Reading File
OME Field Team, Region I (2)
Chron.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Murphy	500
		500
10/5	Talbot	800
		120
		110
		220
		225

Mr. W. R. McDowell and
Mrs. Ruby McDowell
~~2414 Woodlawn Street~~
~~Boise, Idaho~~

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Sun Set, Vermillion and Lucky Boy
Groups of Claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. and Mrs. McDowell:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 19, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

Acting Director

Enclosure

FMMurphy/gla 8-12-59
cc to: Director's Reading File
OME Field Team, Region I (2)
Docket
Chron

43683

MME Form 7
(10-58)

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Date	Surname	Code
10/9	Murphy	500
	Durwell	500
10/5	Talbert	800
10/12	Selfridge	120
"	Johnson	110
		220
		225

OCT 12 1959

Mr. Ernest Booth and
Mrs. Ellen Booth
Meridian, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-81201

Dear Mr. and Mrs. Booth:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 13, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

Rewritten 10/9/59
FMMurphy/GMcC

cc: Docket
Director's Reading File
OME Field Team, Region I (2)
Chron.

Identical letter to:
Mr. Thomas J. Booth and Mrs. Hannah Booth
Caldwell, Route 2, Idaho

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Murphy	500
	[illegible]	500
10/5	Tallant	800
		120
		110
		220
		225

Mr. Ernest Booth and
Mrs. Ellen Booth
Meridian, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Sun Set, Vermillion and Lucky Boy
Groups of Claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. and Mrs. Booth:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on June 13, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

Acting Director

Enclosure

FMMurphy/gla 8-12-59
cc to: Director's Reading File
OME Field Team, Region I (2)
Docket
Chron

Identical letter to:
Mr. Thomas J. Booth and Mrs. Hannah Booth
Caldwell, Route 2, Idaho

43683

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Murphy	500
	Johnson	500
10/5	Talbert	800
10/12	Jeffrey	120
		110
		220
		225

OCT 12 1959

Mr. C. W. McDowell, President
Mac D. Mining Corporation
Route 1
Eagle, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. McDowell:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which requires the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Rewritten 10/9/59
FMMurphy/GMcC

cc: Docket
Director's Reading File
Div. of Contract Adm. & Audit
OME Field Team, Region I (2)
Chron.

cc: Mr. W. R. McDowell and
Mrs. Ruby McDowell
Mr. Elijah Elmer Pierce and
Mrs. Ida Alice Pierce
Mr. Ernest Booth and
Mrs. Ellen Booth
Mr. Thomas J. Booth and
Mrs. Hannah Booth

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Murphy	500
	[illegible]	500
10/5	Talbert	800
		120
		110
		220
		225

Mr. W. R. McDowell, President
Mac D. Mining Corporation
2414 Woodlawn Street
Boise, Idaho

Lucky Boy No. 1, et al., 2 claims

Re: Docket No. USEA-4892 (Mercury)
Mac D. Mining Corporation
~~Sun Set, Vanadillum and Lucky Boy Groups of claims~~
Owyhee County, Idaho
Contract No. Ida-21201

Dear Mr. McDowell:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the USEA exploration program ~~which has now been extended by the Office of Minerals Exploration program.~~

Sincerely yours,

Acting Director

RMMurphy/gla 8-12-59
cc to: Director's Reading File
Div. of Contract Adm. & Audit
OME Field Team, Region I (2)
Docket
Chron
Plus 4 white copies

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 4 1959

DATE	INITIALS	CODE
5/4	G	220
5/5	WSM	400

May 4, 1959

Memorandum

To: W. S. Martin, Office of Minerals Exploration

From: Assistant Chief, Branch of Base Metals

Subject: Field Team final report, Docket No. DMEA 4892 (mercury) Mac D. Mining Corp., Lucky Boy Group of Claims, Owyhee County, Idaho. Contract No. Idm-E1201

The report by Albee and Romischer which described the exploration work done on the Lucky Boy group of claims has been reviewed and found satisfactory.

Because of the low cinnabar mineralization encountered under Stage I, the drilling proposed under Stage II was not authorized and the contract was terminated on its expiration date of December 1, 1958.

I concur with the recommendation of the Field Team that a Certification of Discovery or Development is not warranted.

J. W. Pennington

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

OFFICIAL FILE COPY O. M. E. RECEIVED APR 27 1959		
DATE	INITIALS	CODE
4/27	G	220
4/27	[illegible]	800
4/28	WSM	400

So. 157 Howard Street
Spokane 4, Washington

April 24, 1959

Mac D Mining Corporation
Route 1
Eagle, Idaho

Re: Docket No. DMEA-482 (Mercury)
Mac D Mining Corporation
Lucky Boy No. 1 et al. claims
Owyhee County, Idaho
Contract No. Ids-E1201

Gentlemen:

Enclosed for your information and files is a copy of Report of Review for the months of October and November 1958, covering a project for the exploration of mercury at the Lucky Boy claims.

The audit discloses that there is a balance of $380.00 due you. This amount has been scheduled for payment and you should receive a check in a few days.

Sincerely yours,

Donald R. MacLaren
For: A. E. Weissenborn
Executive Officer, OME
Field Team Region I

Enclosure

cc: OME (2)
USBM (2)
USBM(AD)

cy to 800

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 27 1959

DATE	INITIALS	CODE
4/28	ce	220
4/28	WSM	400

1201 N. Division St.
Spokane 2, Washington

April 20, 1959

Mrs. Dorothy Long, Certifying Officer
OME Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMRA-4892 (mercury)
Mac D Mining Company
Lucky Boy No. 1 et al Claims
Owyhee County, Idaho
Contract No. Idn-21201

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The work authorized under Stage I of the contract was completed on November 18, 1958. Work under Stage II was not authorized. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

A Certification of Discovery will not be recommended by the Field Team.

A final Report of Review dated April 13, 1959 by OME Auditor George Mavor has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1201 N. Division St.
Spokane 2, Washington

April 20, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 24 1959

DATE	INITIALS	CODE
4/24	[illegible]	220/130
4-24	[illegible]	110
4-28	[illegible]	130
4/28	[illegible]	220
		~~110~~
4/30	[illegible]	800
4/30	[illegible]	400

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Docket No. DMEA-4892 (mercury), Mac D. Mining Corp., Lucky Boy Group of Claims, Owyhee County, Idaho, Contract No. Idm-E1201

Enclosed are three copies of a Field Team final report on this project by Howard F. Albee, Geologist, Geological Survey, and William M. Romischer, Mining Engineer, Bureau of Mines.

Work at this project was set up in two stages with Stage I work consisting of bulldozing and sampling and attendant services. Six trenches were bulldozed and sampled. The assays of samples ranged from nil to 0.1 pound mercury per ton. Because of the poor showings, Stage II work was not authorized.

The total accepted cost of the completed work was $3,196.46 and the Government's participation was 50 percent or $1,598.23.

A Certification of Discovery or Development is not recommended.

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USGS (2)

Reviewed by
OME OPERATING COMMITTEE
4-28-59
(date)

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

FIELD TEAM, REGION I

FINAL REPORT

Contract Idm-E1201

FT's FINAL RPT

Howard F. Albee
Geologist
U. S. Geological Survey

William M. Romischer
Mining Engineer
U. S. Bureau of Mines

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 24 1959

DATE	INITIALS	CODE
4-28	HB	130
		220

MAC D. MINING CORPORATION
2414 Woodlawn Street
Boise, Idaho

Docket No.:	DMEA-4892
Commodity:	Mercury
Contract date:	June 6, 1958
Termination date:	November 18, 1958

LUCKY BOY GROUP OF CLAIMS
Secs. 1 and 12, T. 2 N., R. 5 W., B.M.
Owyhee County, Idaho

Spokane, Washington

April 1959

Reviewed by
OME OPERATING COMMITTEE
4-28-59
(date)

CONTENTS

	Page
INTRODUCTION	1
Summary	1
Recommendations	2
PROPERTY	2
History of the Property	2
GEOLOGY	2
THE PROJECT	3
Summary of Factual Data	3
Discussion of Conclusions	4

ILLUSTRATIONS

		In pocket
Figure 1.	Location map, Mac D. Mining Company, Lucky Boy and Sunset groups of claims	
2.	Property map, Mac D. Mining Corporation	
Plate 1.	Plan map of trenches, Lucky Boy Prospect, Mac D. Mining Corporation	

FINAL REPORT

MAC D. MINING CORPORATION
Lucky Boy Group of Claims
Owyhee County, Idaho

Contract Idm-E1201

* * * *

INTRODUCTION

This report describes an exploration project for cinnabar on the Lucky Boy group of claims, Owyhee County, Idaho, conducted jointly by the Defense Minerals Exploration Administration and the Mac D. Mining Corporation.

Summary

The purpose of the project was to explore for cinnabar ore under Stage I by bulldozing as shown on plate 1 and under Stage II by percussion drilling any targets exposed or indicated by the bulldozing.

The effective date of the contract was June 6, 1958. The authorized work started in October 1958 and was completed by November 18, 1958.

In accordance with the terms of the contract, 6 trenches were bulldozed and sampled. The assays of samples ranged from nil to 0.1 pound mercury per ton. Because of the poor showings, the Stage II drilling was not authorized and the contract terminated when the time for completion expired December 1, 1958.

Authorized work items completed consisted of 100 hours of bulldozing, $280.00 for transportation of equipment, 4 days of technical services, 40 assays, $600.00 for supervision, $16.46 for supplies, $40.00 for depreciation of equipment, and $40.00 for travel of engineer-geologist. The total accepted cost of the completed work was $3,196.46 and the Government's participation was 50 percent or $1,598.23.

Recommendations

The project was unsuccessful and a Certification of Discovery or Development is not recommended. The results of the exploration indicate that the possibility of finding significant amounts of mercury ore is poor, and further work with Government participation is not warranted.

PROPERTY

The 8 unpatented lode mining claims comprising the Operator's property rights under Article 2 of the contract are about 40 miles west of Boise, Idaho, in secs. 1 and 12, T. 2 N., R. 5 W., Boise meridian (fig. 1). The exploration area with respect to the claims is shown on figure 2. The claims are recorded in the official records of Owyhee County, Idaho, and the book and page numbers are listed in the examination report.

History of the Property

The history of the area and property is covered in the examination report.

GEOLOGY

The regional geology is covered by Waldemar Lindgren and N. F. Dake in "Description of the Nampa Quadrangle (Idaho)": U. S. Geological Survey Geol. Atlas, Folio 103, 1904, and by Virgil R. D. Kirkham in "Igneous Geology of Southwestern Idaho": Jour. Geology, vol. 39, p. 564-591, 1931. The local geology is covered in the examination report.

Rocks underlying the property are rhyolite and interbedded tuff and tuffaceous sandstone and shale beds. The mercury-bearing material is found in and associated with opal and jasper in the tuffaceous beds. The tuffs are strongly kaolinized throughout the area, probably by ground water, and are cut by innumerable randomly striking and dipping fractures. In places, the fractures have carried ascending iron- and silica-rich solutions. At these places opal and jasper occur abundantly along the fractures and commonly thicken to kidneys a foot or more wide. The mercury seems most abundant where the silica deposits are associated with iron-rich breccia zones.

Prior to exploration the mercury-bearing breccia zones seemed to afford the main targets. Subsequent bulldozing has shown the breccia zones to be shallow and without continuity. The results of sampling in the trenches were discouraging and the bulldozing did not indicate either a mineralized trend or a target for further exploration.

THE PROJECT

The contract became effective on June 6, 1958. Work was started in October 1958 and completed the following month.

Six trenches were bulldozed to depths ranging from 3 to 8 feet (pl. 1). They were sampled across most of their lengths by the Operator and were check-sampled by Field Team representatives. Assays of the samples, 52 in all, ranged from nil to 0.1 pound mercury per ton.

The results of Stage I work were negative and Stage II was not authorized.

Summary of Factual Data

Contract units authorized, completed, and costs are as follows:

Stage I	Units Authorized	Units Completed	Unit Cost	Total Cost
Bulldozer trenching with D-8 caterpillar and ripper	100 hrs.	100 hrs.	$18.00/hr.	$1,800.00
Transportation of equipment	$280.00	$280.00	--	280.00
Engineer-geologist	4 days	4 days	75.00/day	300.00
Supervision - 1 month	600.00	600.00	--	600.00
Supplies	40.00	16.46	--	16.46
Depreciation - pickup truck	40.00	40.00	--	40.00
Samples - transportation and assaying	40	40	3.00/ea.	120.00
Travel - engr.-geol.	40.00	40.00	--	40.00
Payroll taxes, insurance @ 15%	90.00	none	--	--
Total cost				$3,196.46

Stage II - not started

Total amount of contract	$6,748.00
Government's participation at 50 percent	3,374.00
Total amount expended	3,196.46
Government's participation at 50 percent	1,598.23
Total amount unexpended	3,551.54
Government's share unexpended	1,775.77

There was no production at the property during the contract period.

The Government has no equity in operating materials, supplies or equipment used on the project.

Discussion of conclusions

The Operator had some difficulty in obtaining a D-8 caterpillar and ripper to commence the bulldozer trenching; otherwise, the work performed and the rate of progress were considered satisfactory.

The results obtained from the contract work were very disappointing. In fact, it appeared that nearly all of the known mercury-bearing material had been removed by the surface trenching leaving no target for the wagon drilling authorized under Stage II of the contract.

Unless new geologic targets are discovered, no further participation by the Government in exploration of the property is recommended.

Enclosures

Distribution:
OME (3)
USBM (5)
USGS (SRO)
Docket
Albee

DMEA Operating Committee Minutes
Meeting No. 800
April 5, 1957

Miscellaneous (continued)

DMEA-1659
Lead and Zinc
Region I
(N.W.District)

CLAYTON SILVER MINES, KELLOGG, IDAHO. Clayton Mine, Custer County, Idaho.

Letter to the Field with reference to its letter of March 20, 1957, and advising that processing of the application will be held in abeyance pending receipt of the Field Team's report and recommendations. Two copies each of memoranda dated March 4 and 25, 1957, by O. M. Bishop, USBM, and N. E. Nelson, USGS, respectively, relating to the application were sent to the Field. One additional copy of the application was also sent to the Field. Three maps were returned to the Field as requested in its letter of February 26, 1957.

Letter to the Applicant.

Letter to Region III with reference to its memorandum of March 27, 1957, and a proposed [illegible]ial Notice relating to "Indep[illegible]nt Contract Costs."

[illegible] the next meeting will be

APPROVED:

George C. Selfridge
Chairman, Operating Committee

Frank D. Lamb
For Bureau of Mines

Elton H. Kiesgaard
For Geological Survey

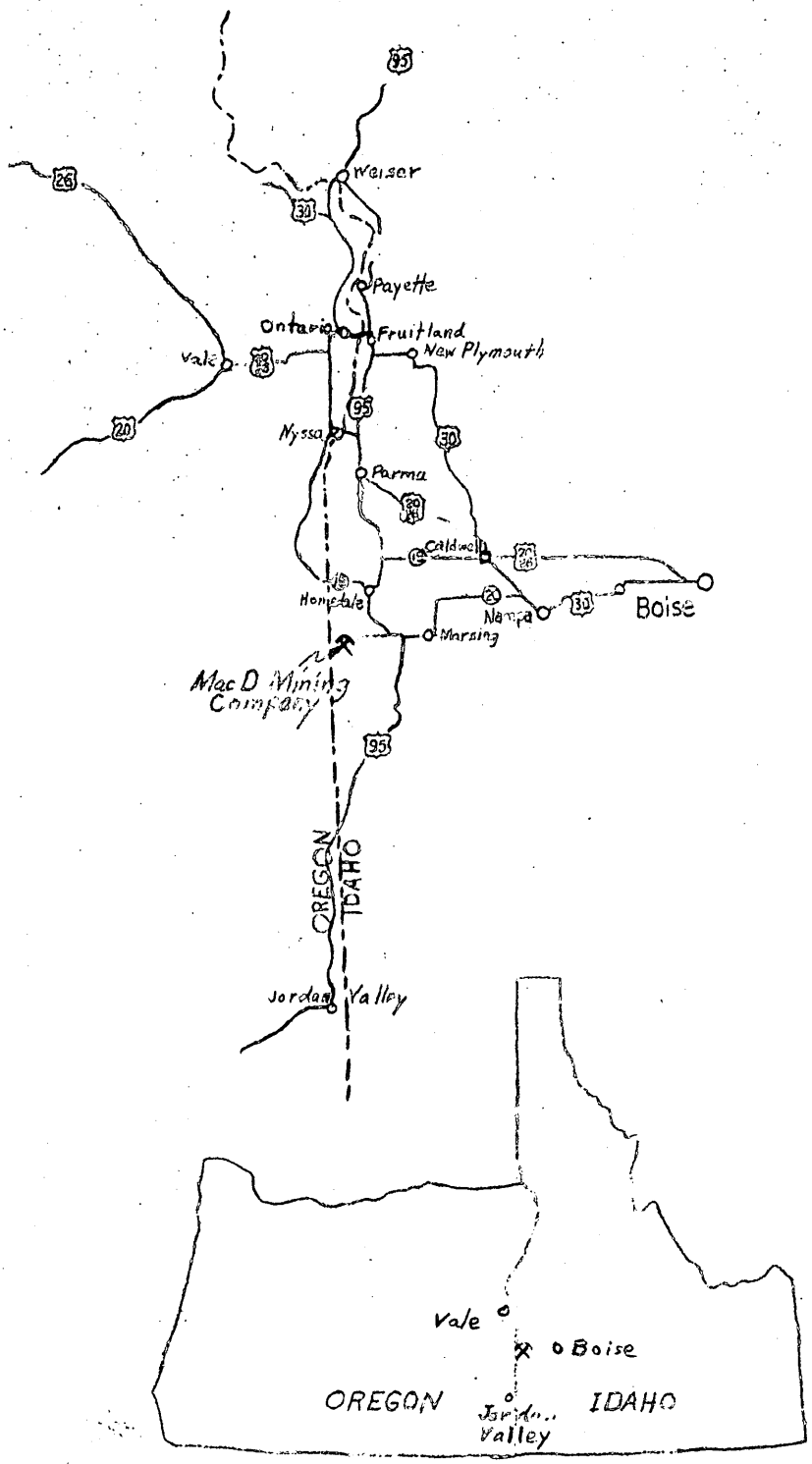

Figure 1. Location Map, MacD Mining Company
Lucky Boy and Sunset groups of claims
Owyhee County, Idaho

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 24 1959

DATE	INITIALS	CODE

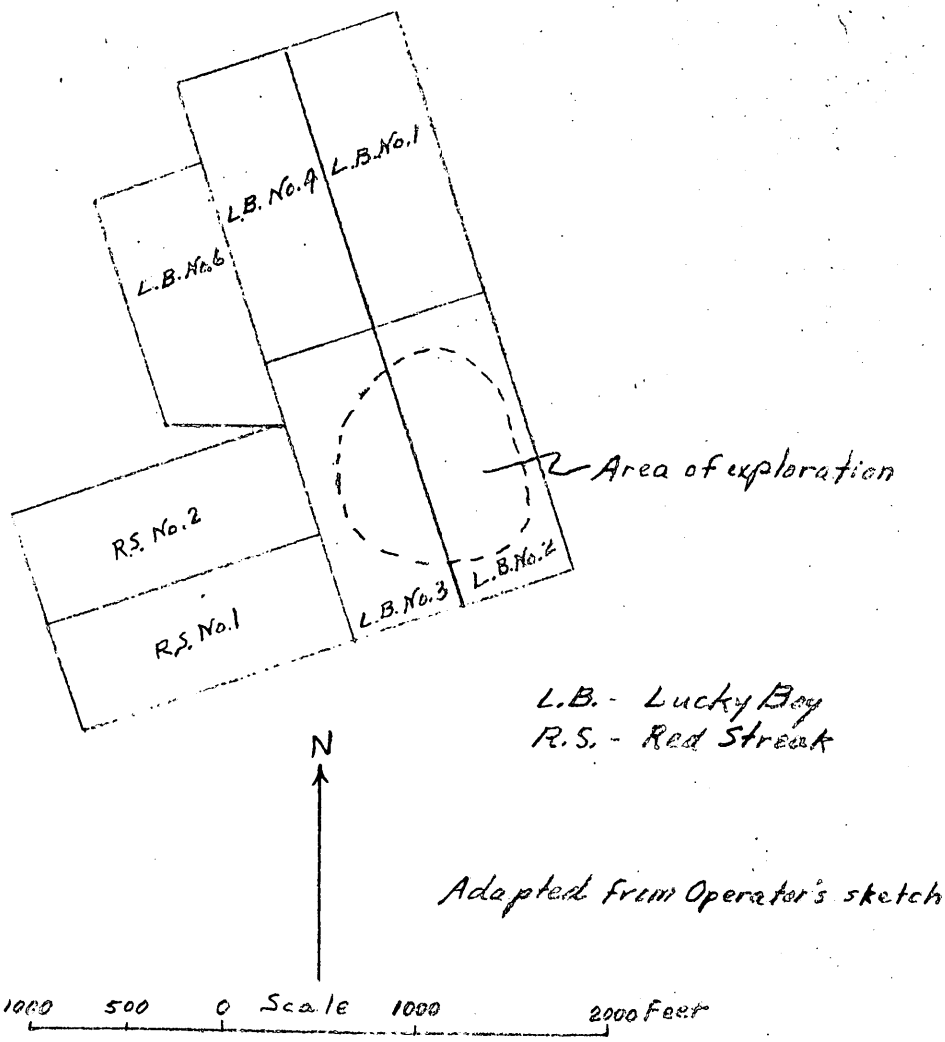

Fig. 2 Property map
Mac D Mining Corp
Owyhee County, Idaho

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 24 1959

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House, 555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 20 1959

DATE	INITIALS	CODE
4-20		288
April 17, 1959		800
		500

Certified Mail

Memorandum

To: Mrs. Dorothy F. Long, Authorized Certifying Officer
1201 N. Division Street, Spokane 2 Washington

From: George Mavor, OME Auditor (Signed) George Mavor

101-T

Subject: Docket No. IMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1 et al. Claims
Owyhee County, Idaho

Reference is made to your letter dated April 6, 1959, in connection with audit of subject contract. Audit is now complete, and I am enclosing herewith one original and 3 copies of Report of Review for further distribution by your office. The report shows a balance due the Operator in amount of $380.00, and the report was approved by the Washington Office April 15, 1959.

I am also enclosing the following material previously submitted by you.

1. Contract and Correspondence File
(Includes original contract, Annex I, Exhibit "A", and Amendment No. 1)

2. Voucher File
(MF-104's and 104A's, with attachments)

Enclosures

Copy to: E. D. Talbert

EA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/16	C	220
4/16	WSM	400

APR 15 1959

Via Air Mail

Memorandum

To: Mr. George Mavor, OME Auditor

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

Subject: Docket No. DMEA-4892 (Mercury)
Mac D Mining Corporation
Lucky Boy No. 1 et al. Claims
Owyhee County, Idaho
Contract No. Idm-E1201

Your Report of Review in lieu of a final audit of the referenced project is acceptable and normal distribution is authorized.

It is noted, however, that the reasons for the review rather than an audit properly should have been stated as follows:

(a) the Monthly Reports were supported by documentary proof of the costs incurred under the contract;
(b) a major portion ($2,080.00) of the costs incurred covered work performed at unit rates under independent contracts; and
(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of further disallowances thereunder.

In the future please follow the format suggested on pages 68 to 70 of the audit manual unless there are extenuating circumstances requiring variation.

EDTalbert/ama
April 15, 1959

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

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 9 1959

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4-9	C	220
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April 6, 1959

OPER. FINAL RPT.

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-E1201

Enclosed are the original and one copy of the operator's final report on the referenced project.

The project was set up in two stages but because the results of Stage I were so poor the operator was not authorized to start Stage II. Stage I work consisted merely of bulldozing and sampling six trenches, all of which were barren. Therefore, the enclosed report, brief as it is, adequately describes the project and is acceptable to the Field Team.

Two copies of the map referred to in the report are attached.

4/59

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: USBM (2)
USBM(AD)
Albee

C. W. McDowell
Mac D Mining Co.
Route #1, Eagle, Idaho

Office of Mineral Exploration
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. D. M. E. A. 4892
Mercury
Owyhee C ounty, Idaho
Contract No. Idm . E 1201

This is a statement regarding bulldozer work requested by you:

Bulldozer work started October 14 th

Completed November 2 nd.

Results were nil as far as Mercury is concerned.

The cost approved by your office was --- 2436.48

The cost of technical work, Testing and S upervision --- 740.00

My Supervisional work ammounted to over one month, on both parts of the first stage of the D. M. E. A. contract. M y allowance for this was $600.00

The other four copies of the map were m ailed to your office some time in January, so you have them.

I hope this is the information you needed. We also regret that the project was not more successful.

C. W. McDowell, President
C. W. McDowell

RECEIVED
APR 2 1959
U. S. G. S.
SPOKANE, WASH.

nment Messenger Envelope

1/46)

1. Use blocks consecutively, one at a time.
2. Void previous block.
3. Write clearly.

PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
~~Accounts~~ 319	RUN / STOP	~~Mr Clements~~	RUN / STOP
~~Power Adm~~ ~~Room 6352~~	RUN / STOP	~~[illegible]~~	RUN / STOP
[illegible]	RUN / STOP	[illegible]	RUN / STOP
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[illegible]	RUN / STOP	~~Mr Carl Shrader~~	RUN / STOP
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Use other side

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and STOP only when messenger service between Government buildings in Washington is required.
Your mail room has RUN and STOP information.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTM
~~Mr. Charles Meed~~	RUN STOP	
Mrs. Edith Hoglberg Room 365	RUN STOP	
~~Mr. Mack Cornell~~	RUN STOP	
~~Mr. Shearer~~ Div. of Information ~~Rm.~~ 7215	RUN STOP	
Mr. Kennedy	RUN STOP	
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Use other side first

☆ U. S. GO

1201 N. Division St.
Spokane 2, Washington
April 6, 1959

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O. M. E.
RECEIVED APR 9 1959
CODE
4-9 C 220
4-9 WSM 400

CERTIFIED MAIL

Mr. George Mayer, OME Auditor
Room 400, Custom House
555 Battery Street
San Francisco, California

Re: Docket No. [illegible] (mercury)
Mac D Mining Company
Lucky Boy No. 1 et al Claims
Owyhee County, Idaho
Contract No. Ida-[illegible]

Dear Mr. Mayer:

Enclosed herewith is a memorandum from the Field Team, Region I, requesting a Report of Review in lieu of final audit of the subject contract. In addition, we are transmitting the following material needed to complete your audit:

1. Contract and Correspondence File
   (Includes original contract, Annex I, Exhibit "A", and Amendment No. 1)

2. Voucher File
   (MF-104's and 104a's, with attachments)

We have withheld payment on the November MF-104 pending receipt of Operator's final report and final audit.

Sincerely yours,

Dorothy F. Long
Authorized Certifying Officer

Enclosures

cc: Mr. Talbert
OME (2)
USGS (2)
USBM (AD)

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 9 1959
DATE | INITIALS | CODE
4-9 | C | 220
4/9 | WSM | 400

1201 N. Division St.
Spokane 2, Washington

April 6, 1959

Mr. George Mavor, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. DMEA-4892 (mercury)
Mac D. Mining Company
Lucky Boy No. 1 et al Claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Mavor:

The work authorized under Stage I of the contract was completed on November 18, 1958. Work under Stage II was not authorized.

The number of units of work satisfactorily completed by the Operator and accepted by the Field Team are:

Stage I	Authorized	Completed
Bulldozer trenching with D-8 caterpillar and ripper	100 hrs.	100 hrs.
Transportation of equipment	$280.00	$280.00
Engineer-geologist @ $75/day	4 days	4 days
Supervision	$600.00	$600.00
Supplies	40.00	16.46
Depreciation - pickup truck	40.00	40.00
Samples, transportation and assaying for mercury	40	40
Travel - engineer-geologist	40.00	40.00
Payroll taxes, insurance	90.00	none

The Operator's final statement of work completed was received April 2, 1959. It has been accepted as meeting the requirements of Article 7(e) of the contract.

A Certification of Discovery will not be recommended.

The total amount paid to date to the Operator is $1,218.23.

A Report of Review in lieu of a final audit is in order and requested.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: Mr. Chambers
OME (2)
USGS (2)
USBM (AD)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/7	Holt	400
4/7	Martin	400
		130
		110
		225
		400

Memorandum

To: Executive Officer, OME Field Team, Region I

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA 4892 - Mercury
Mac D Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Your letter of March 20, 1959, recommends that Stage II work on the above-referenced contract be not authorized, and that no discovery be certified.

We note that you have requested the Operator's Final Report, which should of course, give the Operator's views on the lack of success of the project. As soon as that report has served your purpose, please forward it to this office.

A mutual termination agreement is being prepared here and will be forwarded to you for submission to the Operator for execution.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

SPHOLT:foc
4-7-59
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. I
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

March 20, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 30 1959

DATE	INITIALS	CODE
3/30	C	220
"	EY	110
3/31	[illegible]	800
3/31	WSM	400

Mr. George C. Selfridge, Chairman
Operating Committee, OME
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Selfridge:

We are enclosing the original and three copies each of interim inspection reports on the referenced project by William M. Romischer, Mining Engineer, U. S. Bureau of Mines, and by H. F. Albee, Geologist, U. S. Geological Survey, which should be considered as final inspection reports. Also enclosed are all copies of proposed Amendment No. 2 to the contract.

Romischer was in southern Idaho in February and found that the property was free from snow and that the check samples mentioned in our letter of January 21 could be taken. The samples were sent to Peter Mack in Wallace, Idaho, who reported that none of them contained any mercury. As Romischer thought that he had identified mercury in the sampled zone we sent the pulps to Abbott Hanks for check assay. Again the results were nil.

As a final check we sent Albee and Prinz to the property to make a final check of the trenches and to take check samples where ever they considered it advisable. Their samples all assayed nil and they could not find any justifiable target for further exploration.

In view of the Operator's samples which all ran 0.1 or less pounds mercury per ton and the samples taken by Romischer and by Albee and Prinz which all ran nil, we have no apparent target to justify authorizing Stage II drilling.

We are therefore returning all copies of the proposed Amendment No. 2 as Stage I was completed November 18, 1958 prior to the termination date set forth in Amendment No. 1.

We are writing the Operator informing him that Stage II will not be authorized and requesting a final report.

We recommend that no certification of a discovery be made.

noted S.P.H.

By Field Team Region I

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

Government's copy

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

AMENDMENT NO. 2

It is agreed this 17th day of February, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Mac D.Mining Corporation, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1201 (Docket No. DMEA-4892), dated June 6, 1958, as amended, hereinafter called the "Contract," is further amended, effective November 18, 1958, as follows:

1. (a) Work under the Contract shall be suspended during the period beginning November 19, 1958, and ending not later than July 1, 1959.

(b) The Government will not contribute to any costs incurred by the Operator during the period of suspension, excepting costs of preparing, transporting and assaying samples taken prior to November 19, 1958, or to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 1 of the Contract for completion of the work is further extended to November 1, 1959.

3. The maximum period for royalty payments and the lien to secure the payment thereof is increased from ten (10) to eleven (11) years from the date of the Contract.

4. It is the essence of this Contract that the work be resumed before the termination of the period herein fixed for suspension, and be completed before the termination of the period herein fixed for completion; and if it is not so resumed and so completed in the manner required by the Contract, the following provisions shall thereupon become effective:

Not used

(a) The Contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as follows:

(i) Effective November 19, 1958, if the work has not been resumed on or before July 1, 1959.

(ii) Effective November 1, 1959, if the work is resumed on or before July 1, 1959, but is not completed on or before November 1, 1959.

(b) The Government will contribute only to the allowable costs of work performed prior to the relevant effective date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount and for the full period of time provided for in the Contract (as amended herein), as if a certification of discovery or development had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments, are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 2.

Long
Lindgren
Asst'd Sol. Off.
Holt
Martin

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

Chamberlin
Selfridge

MAC D. MINING CORPORATION

By_____

Title_____

OFFICIAL FILE COPY
RECEIVED
MAR 30 1959
DATE | INITIALS | CODE
2-90

No. 157 Howard Street
Spokane 4, Washington

March 20, 1959

Mr. C. W. McDowell
Mat B. Mining Company
Route 1
Eagle, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Lucky Day No. 1, et al. claims
Owyhee County, Idaho
Contract No. Ida-[illegible]

Dear Mr. McDowell:

As you know, the assays of the samples taken by your engineer were all reported as 0.1 pound of mercury per ton. Your assayer has informed us that it is customary to report all assays of 0.1 pound or less as 0.1.

However, in view of the wide difference in grade between these assays and the ones of samples you took prior to the DMEA contract, we had our engineer, Mr. Kemscher, take four check samples as close as possible to where you had taken yours. We sent the samples to two assayers and both reported nil for each of the samples. As a final check we sent our geologist down to make a complete check of the trenches and to take additional check samples. These also assayed nil.

In view of the above and the fact that the DMEA trenches have failed to indicate the existence of any favorable target, it will not be to your advantage or the Government's to do any drilling under Stage II.

As Stage II drilling will not be authorized, there is no need for a recess and the contract may be considered as terminated.

Your attention is called to Article 7(c) of the contract which requires the operator to submit five copies of a final report. This is in addition to your final progress report and voucher which we have received. As the project was limited to trenching, sampling, and assaying, your final report would consist essentially of five copies of the map, one copy of which you have already sent us, and five copies of a statement of when the bulldozing began, when it was completed, what problems, if any, were encountered, what the results were, and what the costs amounted to.

As soon as we receive an acceptable final report, we will release the $220.00 (subject to audit) which we have withheld from your November voucher. Also, if you have supervised any contract work subsequent to your October 1958 voucher, you should claim that as mentioned in the Certifying Officer's memorandum of December 15, 1958, a copy of which we sent you.

We regret that the project was not more successful and thank you for your interest in the DMSA program.

By Field Team Region 7

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: GAO (3)
DMSM(2)
DMSM(AD)
Albee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
RECEIVED MAR 30 1959
DATE

March 18, 1959

MEMORANDUM

To: OME Field Team, Region I

From: Howard F. Albee, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-4892 (Mercury), Mac D. Mining Corporation, Lucky Boy Claims, Owyhee County, Idaho, Contract No. Idm-E1201

The property was visited with William C. Prinz, Geologist, U. S. Geological Survey, on March 10, 1959, in company with C. W. McDowell, vice-president of the company.

The original examination of the property revealed mercury-bearing rock that, in a few places, gave encouraging results from sample assays. Bulldozing along these occurrences has removed most of the mercury-bearing rocks and has showed that apparently the mercury occurred only in near-surface pods. No structural control or targets for further exploration were found and results of sampling in the bulldozed cuts failed to reveal the presence of any mercury.

Because some good grade samples had been obtained originally, it was felt that sampling in the trenches at places where cinnabar was now visible or had been seen prior to bulldozing should be done. It was felt that the results of this sampling could show either a trend of cinnabar-bearing material or that there definitely was no target for Stage II drilling.

Plate 1 shows the location of the samples which assayed as follows:

Sample No.	Width (ft.)	Mercury (lb./ton)
358C	5.6	Nil
359C	6.0	Nil
360C	3.0	Nil
361C	2.0	Nil
362C	1.0	Nil
363C	5.0	Nil
364C	1.8	Nil
365C	1.5	Nil

The discouraging results of the sampling do not indicate either a mineralized trend or a target for further exploration. The mercury apparently occurs in small pods near the surface and further work would be in the nature of prospecting. It is recommended, therefore, that Stage II drilling not be authorized.

Howard F. Albee

Attachment

Distribution:
OME (4)
USBM (2)
USBM(AD)
Docket
Albee

U.S. Government Messenger Envelope

No. 65 (Rev. 1957)
Bureau of the Budget Circular A-33 (Rev.)

(TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
olvick Branch Dept.	STOP		STOP
Adv Z655t, Intelligence	STOP		STOP
Information 4456 - OME	STOP		STOP
	STOP		STOP
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Use other side

ly when messenger service between Government buildings in Washington, D. C., is required or wherever a STOP system is used.
Your mail room has STOP information.

INSTRUCTIONS FOR USE

1. Identify Agency of Addressee
2. Void Previously Used Block
3. Write Clearly
4. Send Surplus Envelopes to Supply Room for Reissue

STOP

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Mailed 4892
Ed Shark
8/18/59

STOP

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STOP

Use other side first

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1201 N. Division St.
Spokane 2, Washington

March 4, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 30 1959

DATE	INITIALS	CODE
3/31	WEM	4200

MEMORANDUM

To: OME Field Team, Region I

From: Wm. M. Romischer, Mining Engineer, U. S. Bureau of Mines

Subject: Interim inspection, Docket No. DMEA-4892 (mercury), Mac D. Mining Corporation, Lucky Boy No. 1, Owyhee County, Idaho, Contract No. Idm-E1201

The property was visited on February 13, 1959, with Mr. C. W. McDowell, vice president, Mac D. Mining Corporation. My last inspection was made on December 13, 1958.

Because of the wide difference in mercury content between samples taken for the contract work from the bottom of Cut No. 1 and four samples taken from a shallower former cut in the same location by C. W. McDowell or associates prior to the contract work, four check samples were taken at locations considered by Mr. McDowell to be the same as those sampled previously by him.

Samples Nos. 15 to 18, incl., cut from the trench along the bottom of cut No. 1 as shown on the accompanying map, assayed 0.1 pounds of mercury per ton. Samples Nos. 1, 2, 3 and 4, reported by Mr. McDowell from the shallow cut, assayed 1.5, 2.0, 6.5 and 9.0 pounds of mercury per ton, respectively.

The four check samples were cut vertically across a nearly horizontal 3-foot thick bed at the top of the bank of Cut No. 1. The mineralization is spotty and appears of small extent in this bed. The samples were cut across better mineralized spots in the bed and the rock material between spots appeared lean. The underlying beds in the cut either contained very little or no mercury mineralization. The check samples were cut 4 or 5 feet farther into the hillside than were the four samples taken by Mr. McDowell previously. The samples taken from the bottom of Cut No. 1 under the contract work appear to be from beds stratigraphically beneath the better mineralized bed at the top of the cut at the sampled area. The area sampled appeared to be the best mineralized zone in Cut No. 1.

The four check samples, WMR-9, 10, 11 and 12, all ran blank for mercury.

Two other samples reported by Mr. McDowell could not be check-sampled unless a lot of muck was removed.

The status of the contract is:

Date of contract: June 6, 1958
Termination date: December 1, 1958
Amount of contract: $6,748.00
Amount spent: 2,436.46 (thru October 1958)

Stage I	Authorized	Completed
Bulldozer trenching with D-8 caterpillar and ripper	100 hrs.	100 hrs.
Transportation of equipment	$280	$280
Engineer-geologist @ $75/day	4 days	4 days
Supervision	$600	$600
Supplies	$ 40	$ 16.46
Depreciation - pickup truck	$ 40	$ 40.00
Samples, transportation and assaying for mercury	40	40
Travel - engr.-geol.	$ 40	$ 40
Payroll taxes, insurance	$ 90	none

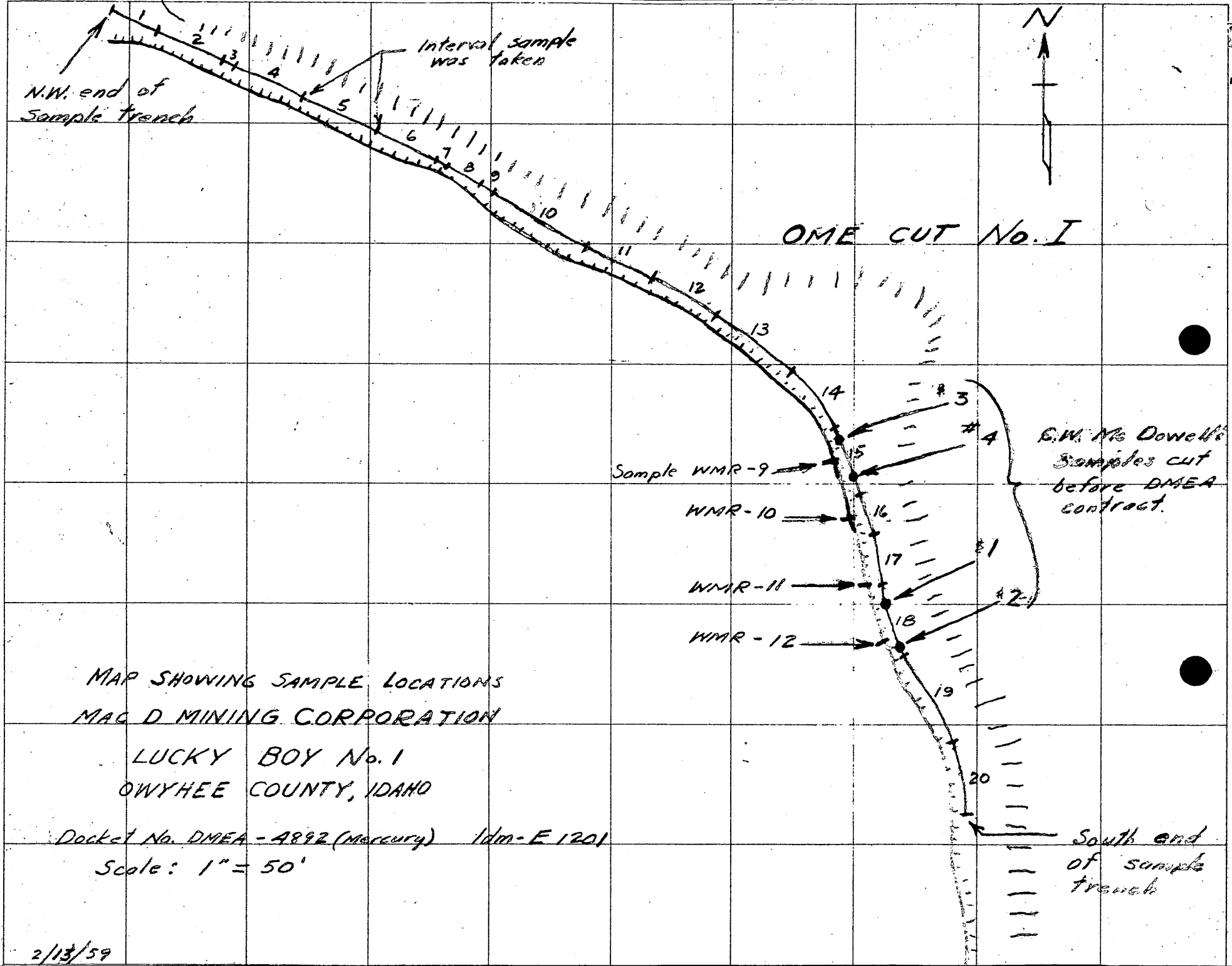
Stage II - not started

There was no OME production at this property.

Attachment

Wm. M. Romischer

Distribution:
OME (4)
USGS (2)
USBM (AD)
Docket
Romischer


N
N.W. end of Sample trench
Interval sample was taken
OME CUT No. I
Sample WMR-9
WMR-10
WMR-11
WMR-12
#3
#4
#1
#2
E.W. McDowell's Samples cut before DMEA contract.
South end of sample trench
MAP SHOWING SAMPLE LOCATIONS
MAC D MINING CORPORATION
LUCKY BOY No. 1
OWYHEE COUNTY, IDAHO
Docket No. DMEA-4892 (Mercury) Idm-E 1201
Scale: 1" = 50'
2/13/59

[illegible]
[illegible]
[illegible]
P.O. Box 47
Idaho, Idaho
February [illegible], 1959

COPY COPY

C. W. Mc Dowell
Mac "D" Mining Co.
Route # 1, Eagle, Idaho
Jan. 29,1958

Office of Mineral Exploration
South 157 Howard Street
Spokane 4, Wash.

Re: Docket No. DMEA-4892 (Mercury)
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Sirs:

In regard to samples talked of when Mr. Albee was on the property.

These samples were taken before we got the DMEA contract. They were taken from the bottom of the old cuts made by the TD-9 Cat. The teo samples were 1' wide by 20' long by 2' deep in cuts about 3' deep.Cut #8, No. 1 sample, 3.5 lbs. per ton . Cut #9 No. 2 sample, 6.0 lbs. per ton. The other 4 samples were taken in a cut made also by the TD-9 Cat in the same location as the DMEA cut #1.

These samples were taken from Opalite veins ans Pods. Sample #1 1.5 lbs. per ton. and #2 - 2.0 lbs. per ton was taken by myself. Samples #3 --6.5 lbs. per ton and #4 - 9.0 lbs. per ton was taken by Tom Booth.

The samples taken under DMEA contract were taken from a trench 6" wide and 2" deep the full length along the bottom of the cuts made by the D-8 Cat and Dozer. Samples regardless of mineralization although the cuts exposed mineralization that showed Cinnabar. The samples missed these.

When your man is on the property again I will show him the Cinnabar showings and the sample trench.

I called Rare Metals Co. and asked for the sample returns. I received the returns today, so I am inclosing sample returns and maps.

I have a small retort on the property now and will start work Tuesday, Feb. 3. I will be on the property six days a week, weather permitting

Yours truly:

C. W. Mc Dowell

/s/ C. W. Mc Dowell

Form 7
(20-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/19	[illegible]	400
2/19	Martin	400
2-20	Chamber	800
2/20	[illegible]	130
"	Johnson	110
		[illegible]
2/23	[illegible]	225
		400

FEB 20 1959

Mr. A. E. Weissenborn
Executive Officer
OME Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Weissenborn:

On February 17, 1959, we forwarded to you the original and copies of a proposed Amendment No. 2 to the above-referenced contract, with the customary transmittal letter of instructions as to signature by the Operator and disposal of copies.

Although we prepared this proposed amendment roughly as you requested, except that we extended the completion date and added a "pseudo", it is not our intention that the amendment be construed as allowing the Operator to start Stage II work unless that work is justified by the information requested in your letter of January 21, 1959, to the Operator, and by the results of the check sampling to be done by your examiners.

It should be noted that if weather conditions permit, that check sampling should be completed and assay results obtained well before the end of the recess in contract work, so that results of the sampling can be reviewed and the Operator notified before July 1, 1959, whether he can start Stage II, and so resume work on the contract, before the end of the suspension period.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

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

SPHOLT:foc 2-19-59
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. I
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

43683

OFFICIAL FILE COPY O. M. E. RECEIVED FEB 24 1959		
DATE	INITIALS	CODE
2/24	C	220
[illegible]	[illegible]	800
2/25	WSM	400

1201 N. Division St.
Spokane 2, Washington

February 18, 1959

Rare Metals Corp. of America
P. O. Box 627
Weiser, Idaho

Attn: Mr. Harold W. Horst,
Plant Superintendent

Re: Docket No. DMEA-4892 (mercury)
Mac D. Mining Company
Lucky Boy et al Claims
Owyhee County, Idaho

Dear Mr. Horst:

In support of his claim for reimbursement under his DMEA contract Mr. Charles McDowell submitted a statement from you giving the assay results of samples No. 1-LB thru 40-LB as all assaying 0.1 lbs. mercury per ton of ore.

Although we have requested that Mr. McDowell furnish the assays on the individual samples he has failed to do this; no doubt due to a misunderstanding.

I would appreciate it if you would furnish us with the assays of the individual samples. It seems so unusual to us that all the samples would assay the same.

Sincerely yours,

Wing C. Agnew
Acting Executive Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)
USBM (2)

Form 7
(58)

OFFICIAL FILE COPY

Date	Surname	Code
2/17	Holt	400
2/17	Martin	400
2-17	Chamberlin	800
2/17	[illegible]	130
"	Johnson	110
		~~100~~
		~~[illegible]~~
2/18	C	225
		400

FEB 17 1959

Mr. A. E. Weissenborn
Executive Officer
OME Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892 - Mercury
Mac B. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Amendment No. 2 to the above-referenced contract, signed by the Acting Director for the Government. Two extra copies are enclosed for the use of the Field Team.

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

H. G. Iverson (GCS)
Member, Bureau of Mines

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

SPHOLT:foc 2-17-59
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. I
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

43683

E Form 7.
10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1-30	Holt	400
2/13	Martin	400
		140
		140

January 30, 1959

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, OME

SOLICITOR

Subject: Preparation of Amendment
Docket No. DMSA 4892 - Mercury
Mac D Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

FEB 3 - 1959

INTERIOR DEPT.

Attached is a rough draft of a proposed Amendment No. 2 to the above-captioned contract for your use in preparing it in final form.

W. S. MARTIN

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

Attachment

SPHOLT:foc
1-30-59
cc to: Docket
Chron. File

43683

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA 4892

AMENDMENT NO. 2

It is agreed this _____day of _____, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Mac D Mining Corporation, hereinafter called the "Operator", that Exploration Project Contract No. Idm-E1201 (Docket No. DMEA 4892) dated June 6, 1958, as amended, hereinafter called the "Contract", is further amended, effective November 18, 1958, as follows:

1. (a) Work under the contract shall be suspended during the period beginning November 19, 1958, and ending not later than July 1, 1959.

(b) No costs incurred by the Operator during the period of suspension, excepting costs of preparing, transporting and assaying samples taken prior to November 19, 1958, shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. In Article 3 of the contract the period for completion is further extended, from December 1, 1958, to November 1, 1959.

3. The maximum period for royalty payments is extended from ten (10) years to eleven (11) years.

4. It is of the essence of this contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not resumed within the time designated, in the manner required to bring the project to completion as required the following provisions shall thereupon become effective:

(a) Effective July 1, 1959, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

(c) The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(d) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as otherwise provided in this Amendment No. 2.

5. It is of the essence of this contract that the work be completed by November 1, 1959, and if it is not so completed, in a manner required to bring the project to completion as required, the following provisions shall thereupon become effective:

(a) The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

(b) The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(c) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as otherwise provided in this Amendment No. 2.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

MAC D. MINING CORPORATION

By_____

Title_____

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. IMBA 4892

AMENDMENT NO. 2

Justification

The Operator, by its undated letter received in the Field Team's office December 19, 1958, noted that Stage I work under the contract had been completed November 18, 1958, and requested that the starting date of Stage II work be set as July 1, 1959, in effect a recess until July 1, 1959.

The Field Team, in its letter of January 21, 1959, approved the Operator's request for the request, noted that on the basis of the Operator's latest assay report Stage II work was not justified, but that because of the wide difference between assay values of samples taken by the Operator and those taken by the Field Team examiners, it would be necessary, before deciding on Stage II work, that check samples be taken by the Field Team examiners.

As such check sampling could not be done efficiently on ground frozen or covered with snow, and noting that the decision as to Stage II work could not be made without having for consideration the assay results of the check sampling, the Field Team approved the Operator's request for a recess.

This Division, considering the Operator's request to be reasonable and in the interest of the Government, has prepared a proposed Amendment No. 2, which authorizes suspension of the work for a period beginning November 19, 1958, and ending not later than July 1, 1959, and extends the date of completion of the work to November 1, 1959.

To protect the interest of the Government a royalty agreement or "pseudo-certification" was included in the proposed amendment, to become effective if the Operator did not resume work at the end of the suspension period, or if he resumed work but did not complete it before the new completion date of the contract.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 23 1959

DATE	INITIALS	CODE
1/23	C	220
		130
1/23	WSM	400

January 21, 1959

Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, OME
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Selfridge:

This is in further reference to our letter of December 30, 1958, with which we forwarded two copies of an undated letter from the operator requesting a recess of contract work from November 18, 1958 to July 1, 1959, together with two copies of our reply.

We have just received a map showing the trench sample locations. Included with this is a statement from MacDowell's assayer that samples 1-LB through 40-LB assayed 0.10 pound mercury per ton. We have written the operator requesting additional copies of his map, as well as copies of the complete assay returns.

See Interim Report of Dec. 17, 1958 received Jan. 26, 1959.

We are puzzled because when Howard Albee visited the property on November 9, 1958, Mr. MacDowell told him that in the southern part of Cut No. 1 he had taken four small samples that assayed, respectively, 1.5, 2.0, 6.5, and 9 pounds mercury per ton, and two samples, each approximately 20 feet wide weighing about 100 pounds, that assayed, respectively, 3.5 and 6 pounds mercury per ton. MacDowell has not submitted these assays yet and we have asked him to do so, and to indicate their locations on his map. Albee reports that he observed some cinnabar in the trenches, but did not do any sampling; because of our sharply curtailed budget our field men have been instructed to hold check sampling to a minimum. Obviously, on the basis of the latest assay report, we would not be justified in going ahead with Stage II of the contract but in view of the wide discrepancy between MacDowell's assays and those of samples taken presumably from the same locations by his engineer, it is evident that check sampling is essential before we can make a decision. It is possible that the engineer's sample lengths were too long and taken without reference to the mineralization or structure.

Because winter conditions make check sampling impossible at this time, we recommend that the requested recess be approved and the completion date be extended to July 1, 1959, in order to keep the contract open long enough for check samples to be taken. We can then either authorize Stage II drilling, and at the same time request an appropriate extension of the termination date, or decide to authorize no further work and let the contract terminate.

By Field Team Region I

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM(AD)
Albee

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 23 1959
DATE | INITIALS | SUBJECT

So. 157 Howard Street
Spokane 4, Washington

January 21, 1959

Mr. C. W. McDowell
Mac D Mining Company
Route 1
Eagle, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-K1261

Dear Mr. McDowell:

We have received your letter of January 7, 1959, with which you enclosed one copy of a map prepared by Bill Harris, several invoices, and a statement from your assayer to the effect that samples 1-LB through 40-LB assayed 0.1 pound mercury per ton. You also stated that as soon as you receive them you will send us the complete assay returns. To complete our records we will need 5 copies of the assay returns and 4 more copies of the map as called for in Article 7(b) of your contract.

When he visited your property November 9, 1958, you told Mr. Albee that four small samples from the southern part of Cut No. 1 assayed, respectively, 1.5, 2.0, 6.5, and 9 pounds mercury per ton and that two samples taken over a width of approximately 50 feet and weighing about 100 pounds each assayed, respectively, 3.5 and 6 pounds mercury per ton. Because of the wide difference between these assays and the 0.1 pound mercury per ton indicated by the statement with your letter, could you show on Mr. Harris' map where these samples were taken and their widths, and send us five copies of the assay returns? Do you have any explanation why there is such a discrepancy? If the property is accessible and the trenches are open the next time we have a man in the area, probably some time in February, we will have him take some check samples.

By Field Team Region I

cc: OME (2) w/incoming ✓
USBM (2)
USBM(AD)
Albee

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing S. Agnew, Member
U. S. Bureau of Mines

Mac-D-Mining Co.
Route #I Eagele
Jan. 7 I959

Office of Mineral Exploration
So. I57 Howard Street
Spokane 4, Washington

Re: Docket No.DMEA-4892 (Mercury)
Owyhee County, Idaho
Contract No. Idm-EI20I

I am inclosing the meterial I have at this time,
The sample returns should be here soon. Iwill send them
to you as soon as I receive them .

The map is fixed to show the location of sample as to
where they were ~~they-w-~~ taken.

C.W.Mc Dowell

C.W. McDowell

		NOTED
Mac		
al		
usdm		
file		
ANSWERED		

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington

December 30, 1958

OFFICIAL
~~EXTRA~~ COPY
O. M. E.
RECEIVED JAN 5 1959

DATE	INITIALS	CODE
1/5	C	220
1/5	WSM	400

Mr. George C. Selfridge, Chairman
Operating Committee, OME
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac-D Mining Company
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Selfridge:

Enclosed are two copies of the operator's undated letter asking for a recess of contract work from November 18, 1958 until July 1, 1959, together with two copies of our reply.

As soon as we receive the assay results we will make our recommendation.

Sincerely yours,

Thomas E Howard
for: Wing G. Agnew
Acting Executive Officer
OME Field Team Region I

cc: USBM (2)
USBM(AD)
Albee

OFFICIAL FILE COPY
O. M. E.
JAN 5 1959

So. 157 Howard Street
Spokane 1, Washington

December 30, 1958

Mr. C. W. McDowell
Mac-D Mining Company
Route No. 1
Eagle, Idaho

Re: Docket No. DMEA-4092 (Mercury)
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-K1202

Dear Mr. McDowell:

We have received your undated letter in which you request a recess of your DMEA contract from November 18, 1958 until July 1, 1959.

Whether or not Stage II work will be approved depends upon the results of Stage I, and cannot be determined until we have received copies of the maps and sample assays. If, upon receipt of this information, Stage II work can be justified, we will forward your request for a recess to our Washington office for their consideration. If Stage II work cannot be justified, there will, of course, be no need for a recess.

As the date for completion of this contract has already passed, we urge your prompt attention to the matter of submitting the maps and assay returns.

By Field Team Region I

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Donald R. Maclaren, Acting Member
U. S. Geological Survey

cc: OME (2) w/incoming
USBM (2)
USBM(AD)
Albee

C.W.McDowell
Mac-D Mining Co.
Route #I Eagle Ida.

RECEIVED
BUREAU OF MINES
DEC 19 1958
SPOKANE, WASH.

D2

Office of Mineral Exploration
I20I No.Division Street
Spokane 2 Washington

Re:Docket No.DMEA 4892(Mercury)
Mac-D Mining Co.
Contract No.Idm I20I

Dear Sir:

I wish to inform you that we Completed the first stage of our DMEA contract on the I8th.day of Nov.the same day the samples were sent to weiser for testing,I though Iwould have the returns by now but havent received them as yet.

OFFICIAL COPY
O. M. E.
RECEIVED JAN 5 1959
DATE INITIALS

The engineer Mr.Bill Harris had to go to Denver Colorado on business,as soon as returns I will send his invoice,mapsand hope to have the returns from the samples to send at the same time.

I would like to have the starting ~~for~~ date for the second stage of our DMEA contract to begin on the first day of July I959 .I hope this meets with your approvel thank you.

Yours Truly

C.W.McDowell

C. W. McDowell

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE
1-26	C	220
"	[illegible]	110
1/27	[illegible]	800
1/27	WSM	400

December 17, 1958

MEMORANDUM

To: OME Field Team, Region I

From: Wm. M. Romischer, Mining Engineer, Bureau of Mines

Subject: Interim inspection, Docket No. DMEA-4892 (mercury), Mac D Mining Corporation, Lucky Boy No. 1, Owyhee County, Idaho Contract No. Idm-E1201

The property was visited December 13, 1958, with Mr. C. W. McDowell, vice president, Mac D Mining Corporation. No other persons were at the property. My last inspection was made on October 23.

All the trenching, which was done by a D-8 caterpillar and ripper, authorized in the contract, besides some additional bulldozing at the Operator's own expense, was completed since my last inspection. Also, Mr. William Harris, a geologist from Boise, Idaho, finished mapping and sampling the trenches completed under the contract, but the assay returns from the samples cut for mercury had not been received. As soon as these are obtained the Operator will submit the maps showing the location of the trenches with the pertinent information on sampling from which the possible drill hole sites can be determined.

At the time of the inspection each of the trenches bulldozed and where the samples were cut were examined. The mercury-bearing material appears widespread and occurs in spots or veins of small extent.

Mr. McDowell stated he wished to request a recess until July 1, 1959. This would allow the Stage II work to be done during the dry season when transportation over dirt roads would be easy. The clay-like material makes access difficult when it is wet.

The status of the contract is:

Date of contract: June 6, 1958
Termination date: December 1, 1958
Amount of contract: $6,748.00
Amount spent: 2,436.46

Stage I	Authorized	Completed	Vouchered
Bulldozer trenching with D-8	100 hrs.	100 hrs.	100 hrs.
Supervisor	$600	$600	$300
Transportation of equipment	$280	$280	$280

There was no OME production at this property.

Distribution:
OME (4)
USGS (2)
USBM (AD)
Docket
Romischer

Wm. M. Romischer

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 22 1958		
DATE	INITIALS	CODE
12/22	C	220
12/23	EEF	800
12/23	WSM	400

1201 N. Division St.
Spokane 2, Washington

December 15, 1958

Mr. C. W. McDowell
Mac D Mining Corporation
Route #1
Eagle, Idaho

Re: Docket No. DMEA-4892 (mercury)
Mac D Mining Corporation
Contract No. Idm-M1201
Monthly operating report for
October 1958

Dear Mr. McDowell:

This is to inform you the subject voucher could not be paid in the full amount claimed.

The deletions are explained in the attached copy of a memorandum to the Field Team from the Certifying Officer, Region I.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: OME (2)
USGS (2)
USBM (AD)

OME Field Team, Region I

December 15, 1958

OME Certifying Officer, Region I

Mac D Mining Corporation, Contract No. Idm-R1201
Monthly operating report for October 1958

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

One-half month's supervision at $300.00 has been approved for payment. The remaining one-half month, or $300.00, may be claimed upon completion of the surveying, sampling and mapping.

A deletion of $23.54 has been made from the costs claimed for gas and oil. There were no supporting documents for the full amount claimed.

Dorothy F. Long

cc: OME (2)✓
USGS(2)

1201 N. Division St.
Spokane 2, Washington

December 2, 1958

12/12 C 220
12/12 800
12/12 WSM 400

Mr. C. W. McDowell
Mac D Mining Corporation
Route #1
Eagle, Idaho

Re: Docket No. [illegible]-4892 (mercury)
Mac D Mining Corporation
Contract No. Idm-81201

Dear Mr. McDowell:

We received the invoices from MacGregor Triangle Company and Robert Newcomb. However, it is necessary that we return the invoice from Robert Newcomb for additional information. Will you please ask Mr. Newcomb to insert the rate charged per hour for this work. Also, if Mr. Newcomb transported the ripper, he will have to claim this charge. This can be included in the one invoice.

In addition to the above, we will need the gas tickets covering purchases of gas and oil to support your claim for these items.

A statement giving the period for which supervision was claimed and certified a true copy will be sufficient to support your claim for Supervision.

By Field Team, Region I

A. R. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure
cc: OME (3)
USGS (2)
USBM (AD)

Form MF 104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

Month of Nov., 1958 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address ([illegible]) Mac D. Mining Corporation [illegible]
Contract Amount, $ [illegible] Government Participation: 50% % Amount, $ ~~440.00~~ 3374.00
6748.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Stage I						
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing					1800.00	1800.00
Crosscutting						
~~Drilling~~ Travel						
~~Travel Expenses~~ Transp. & Equip.	$ ~~40.00~~		$ ~~40.00~~		280.00	280.00
(2) Labor and Supervision:						
Labor						
Supervision	$300.00		$300.00	300.00	300.00	600.00
Technical Services				300.00		
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
~~Pipe~~ Fuel, oil, etc.					16.46	16.46
Track						
~~Lumber~~	[illegible]					
~~Pipe~~	[illegible]					
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation - Pick Up					40.00	40.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	$100.00		$ 100.00			
Sampling and Analysis 40				120.00		120.00
Payroll Taxes						
Liability Insurance						
Travel Expenses	40.00		40.00	40.00		40.00
(8) Contingencies (specify):						
TOTALS	~~440.00~~		~~440.00~~	760.00	2436.46	3196.46

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

Date Dec. 10th. *Payee Mac D Mining Corporation C.W. McDowell-C.W. McDowell

Per _____ Title Vice Presedent

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

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

(Instructions on reverse)

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

$ 380.00

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 4/21/59 Vou. No. 2692
(See other side)

Corrected to conform with final audit report of OME Auditor George Moore.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1201 in accordance with the terms of the contract.

Signature /s/ William M. Romicke Title Mining Engr. Date 4/20/59

APPROVAL BY ~~DMEA~~ OME EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date April 21, 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1958 Docket No. DMEA 4892 Contract No. Idm-EI20I

Operator's Name (C.W.McDowell) Mac D Mining Corporation Minerals Mercury

Address Route #I Eagle Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Cross-cutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Tech. Service		$300.00		$300.00				
Analysis		$100.00		$100.00				
Travel Expenses		$ 40.00		$ 40.00				
TOTAL DISTRIBUTED COSTS		$440.00		$440.00			TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$440.00		$440.00				

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

Mac D Mining Corporation
C.W. McDowell

Date Dec. 10th. Operator C.W.McDowell

Per Title Vice President

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

(Instructions on reverse)

REMARKS:

(For Government use only)

/s/ William M. Ramsicker, 4/20/59

INSTRUCTIONS

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

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

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

GPO 872894

C. W. McDonald
Geo. C. Whiting Co.
Seattle 1, Washington

Office of Mineral Exploration
No. 157 Howard Street
Spokane 8, Washington

Re: Project No. D. M. E. A. - C
Mercury
Gaffney C Claim, Nevada
Contract No. 22n - 2 [illegible]

This is a statement regarding bulldozer work requested by you:

Bulldozer work started October 14 th

Completed November 2 nd.

Results were all so far as Mercury is concerned.

The cost approved by your office was — 2430.00

The cost of technical work, Testing and Supervision — 700.00

My supervisional work amounted to over one month, on both parts of the first stage of the D. M. E. A. contract. My allowance for this was [illegible] — The other four copies of the map were mailed to your office [illegible] in January, so you have them.

Map filed with Final Report.

I hope this is the information you needed. To also report [illegible] project was not more successful.

C. W. McDonald, [illegible]
C. W. McDonald

RARE METALS CORPORATION OF AMERICA

TEXAS STREET AT STANTON • POST OFFICE BOX 1492 • EL PASO, TEXAS

ADDRESS REPLY TO
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
P.O. Box 627
Weiser, Idaho
November 28, 1958

Results of Charles McDowell samples assayed for mercury content.

Samples no. 1-LB thru 40-LB all assayed 0.1 pounds of mercury per ton of ore.

Harold W. Horst

Harold W. Horst
Plant Superintendent

Assay Results of Charles McDowell Samples
for Mercury Content.
RARE METALS CORPORATION OF AMERICA
Weiser, Idaho

Sample No.	Lbs. Hg. per ton	Sample No.	Lbs. Hg. Per Ton
1-LB	0.1	20-LB	0.1
2-LB	0.1	21-LB	0.1
3-LB	0.1	22-LB	0.1
4-LB	0.1	23-LB	0.1
5-LB	0.1	24-LB	0.1
6-LB	0.1	25-LB	0.1
7-LB	0.1	26-LB	0.1
8-LB	0.1	27-LB	0.1
9-LB	0.1	28-LB	0.1
10-LB	0.1	29-LB	0.1
11-LB	0.1	30-LB	0.1
12-LB	0.1	31-LB	0.1
13-LB	0.1	32-LB	0.1
14-LB	0.1	33-LB	0.1
15-LB	0.1	34-LB	0.1
16-LB	0.1	35-LB	0.1
17-LB	0.1	36-LB	0.1
18-LB	0.1	37-LB	0.1
19-LB	0.1	38-LB	0.1
		39-LB	0.1
		40-LB	0.1

Harold W. Horst
Harold W. Horst
Plant Superintendent

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 24 1958		
DATE	INITIALS	CODE
11/24	C	220
11/24	[illegible]	800
11/29	WSM	400

1201 N. Division St.
Spokane 2, Washington

November 19, 1958

Mr. C. W. McDowell
Mac D Mining Corporation
Route #1
Eagle, Idaho

Re: Docket No. [illegible]-4892 (mercury)
Mac D Mining Corporation
Contract No. Idm-K1201

Dear Mr. McDowell:

We cannot process your October 1958 voucher for payment until we receive the following:

(1) An invoice from Robert Newcomb for 100 hours of bulldozing @ $18.00 per hour. This invoice should give the dates work was done, name and serial number identification of the bulldozer and ripper used, and must be signed by Mr. Newcomb.

(2) An invoice for transportation of equipment from and to Boise, Idaho from MacGregor Triangle Co. This invoice should be signed by the owner or an authorized official of MacGregor Triangle Co.

(3) Gas tickets covering gas and oil purchases.

(4) Certified true copy of your payroll, giving dates worked, etc. Also, giving a breakdown of payroll taxes and insurance.

Upon receipt of satisfactory supporting documents, your voucher will be processed for payment.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: OME (3)
USGS (2)
USBM (AD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

So. 157 Howard Street
Spokane 4, Washington

November 11, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
11-24	C	220
"	KL	110
11/24	[illegible]	800
11/25	WSG	400

MEMORANDUM

To: Field Team Region I

From: Howard F. Albee, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-4892 (Mercury) Mac D. Mining Corporation, Lucky Boy Claims, Owyhee County, Idaho, Contract No. Idm-E1201.

The property was visited on November 9, 1958, in company with Mr. C. W. McDowell, and Mr. T. J. Booth, a stockholder.

The bulldozing authorized in the contract and additional dozing done at the operator's expense had been completed. All bulldozing was done at locations approximating those shown on the contract map. Some mercury showings have been exposed but are largely confined to seams of opalite. A mercury-bearing structure exposed in cut No. 2 on the contract map appears to be the extension of the structure at station A-2511. Further to the southwest, in cut No. 5, mercury-bearing opalite is exposed as a 4- to 5-inch wide stringer. Altered material is exposed in cut No. 6 but no cinnabar was seen. Very small amounts of cinnabar were visible in cut No. 4 and Mr. McDowell stated that a large part of the cut showed cinnabar by panning.

Some cinnabar was seen along the southern part of cut No. 1. Mr. McDowell reported that four small samples from here assayed 1.5, 2.0, 6.5, and 9 pounds of mercury per ton, and that two approximately 20-foot wide samples, of about 100 pounds each, assayed 3.5 and 6 pounds of mercury per ton.

No cinnabar was seen in place in cut No. 3; however, several tons of mineralized rock were stockpiled from there.

During the contract work several showings of cinnabar-bearing rock were found in the area surrounding the working sites. These were examined and found to consist mostly of cinnabar-bearing opalite. One specimen found consisted of about a pound of nearly pure cinnabar.

The operator stated that Mr. William Harris, a geologist from Boise, Idaho, was to begin mapping and sampling the workings on November 10, 1958, and from this work will submit recommendations for drilling.

Mr. C. W. McDowell and I discussed the Stage II work and he was shown on the ground the possible locations for drilling and the type of program that would be acceptable pending the results of sampling.

cc: OME (4)
USBM (2)
USBM(AD)
Docket
Albee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE
11/18	J. g.	225
		100
"		110
11/18		800
11/19	WSM	400

October 31, 1958

MEMORANDUM

To: OME Field Team, Region I

From: Wm. M. Romischer, Mining Engineer, Bureau of Mines

Subject: Initial inspection, Docket No. DMEA-4892 (mercury), Mac D. Mining Company, Lucky Boy No. 1, Owyhee County, Idaho, Contract No. Idm-E1201

The property was visited October 23. Messrs. C. W. and W. R. McDowell, vice president and president, respectively, as well as the operator for a D-8 caterpillar were at the property.

Because it was difficult to obtain a D-8 caterpillar or an equivalent unit of another make, work did not start until October 15.

At the time of the inspection the long trench designated as No. 1 on figure 3 in the contract and trench No. 6 had been partly excavated. The No. 1 trench had been dozed and later had the ripper dragged over it. As the loose material from the above operation had not yet been removed, the underlying bedrock could not be examined. Mineralized chunks containing cinnabar were observed at spots in the trench, but none containing high-grade were found. Trench No. 1 was checked and found to be in the correct location. Trench No. 6 had been dozed, but the ripper had not been used. About 24 cat hours had been used to do this work.

The supervisor, Mr. C. W. McDowell, stated he thought the trenching would be finished about November 20. He said that he would write when the trenching was completed. Subsequently, Mr. McDowell wrote and said the trenching will be completed by November 8; also that Mr. William Harris, engineer, Boise, Idaho, will perform the technical work, such as surveying and mapping and cut the necessary samples and prepare maps of the trenched area.

Mr. W. R. McDowell, president of the company, whose address was 2414 Woodlawn, Boise, now resides at Eagle, Idaho, Route #1.

Wm. M. Romischer

Wm. M. Romischer

Distribution:
OME (4)
USGS (2)
USBM (AD)
Docket
Romischer

DMEA FORM 6 REFERENCE SLIP

REV. 12-58 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Code 120 ✓		
2. ~~110~~	JEJ	10/24
3. ~~100~~		
4. 400		
5.		

FROM: W. S. MARTIN 10/24/58

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ✓ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M8278

COPY

COPY

OFFICIAL FILE COPY
RECEIVED 1958

Mac D. Mining Co.
Boise, Idaho
October 13, 1958

10/23
10/24
10/25 WSM
220
800
400

Exploration Project Contract
Docket No. DMEA-4892 (Mercury)
Contract No. Idm-E1201
Spokane, Wash.

Dear Sir:

This is to advise you that we have commenced work on the mercury property under DMEA contract in Owyhee County, Idaho, near Homedale. I will keep you informed of progress.

/s/ C. W. McDowell

Vice-President

Districution:
OME (2)
USBM (2)
USBM(AD)
Sample

Rec'd USGS
Oct. 15, 1958

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

Budget Bureau No. 42-R1036.5

RECEIVED DEC 22 1958 DMEA

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

Month of October, 1958 Docket No. DMEA 4892 Contract No. Idm - E1201
Operator's Name (C. W. McDowell) Mac D Mining Corporation Minerals Mercury
Address Route # 1, Eagle, Idaho Stage #1
Contract Amount, $ 6748.00 Government Participation: ____% Amount, $ ~~2760.00~~ 3392.00

ITEMS OF COSTS Stage#1	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY 12/23/58 WSM: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	$1800.00		$1800.00	1800.00	—	1800.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	$600.00		$600.00	300.00		300.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil	40.00		40.00	16.46		16.46
Transportation	$280.00		$280.00	280.00		280.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation Pickup Truck	40.00		40.00	40.00		40.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2760.00		2760.00	2436.46		2436.46

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

Date 11/10/58 *Payee Mac D Mining Corporation C.W. McDowell

Per _____ Title Vice President

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

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

(Instructions on reverse)

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

$ 1218.22

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/17/58 Vou. No. 2264

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 6120 in accordance with the terms of the contract.

Signature /s/ William M. Romischer Title Mining Engr. Date 11/14/58

APPROVAL BY ~~DMEA~~ OME EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 15, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 22 1958 O.M.E.

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

Month of October 1958 Docket No. DMEA 4892 Contract No. IDM - E1201
Operator's Name (C.W. McDowell) Mac D Mining Corporation Minerals Mercury
Address Route #1, Eagle, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	1							
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching With D-8	Hr. 1	1800.00		1800.00				
Test Pits								
Roads and Trails								
Transportation	1	280.00		280.00				
TOTAL DISTRIBUTED COSTS		2080.00		2080.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating ~~Equipment Purchased~~ Materials & Supplies		40.00		40.00				
Initial Rehabilitation and Repairs								
~~New Buildings, Improvements, etc~~ Depreciation		40.00		40.00				
Supervision		600.00		600.00				
TOTAL COSTS		~~2680.00~~ 2760.00		~~2680.00~~ 2760.00				

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

Mac D Mining Corporation

Date 11/10/58 Operator C W McDowell

Per Title Vice President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

/s/ William M. Romischer, 11/14/58

INSTRUCTIONS

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

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

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

GPO 872894

Mac D. Mining Co.
Route #1, Eagle , Idaho
Nov. 10, 1958

Re: Docket # DMEA 4892 - Mercury
Lucky Boy # 1 et al, claims
Owyhee County, Idaho
Contract # IDM - E1201

Defense Mineral Administration
So. 157 Howard Street
Spokane, Washington

Dear Sir:

Reporting progress to November 5th, as trenching with D-8 Cat and ripper is finished.

Mr. Bill Harris has completed a survey of cuts and is about half done with sampling, which has stopped due to rain. We expect to start Monday Nov. 17th if weather permits. One day will complete the sampling.

I will send you the maps when they are completed.

Yours Truly,

OME Field Team, Region I

December 15, 1958

OME Certifying Officer, Region I

Mae D Mining Corporation, Contract No. Ida-21201
Monthly operating report for October 1958

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

One-half month's supervision at $300.00 has been approved for payment. The remaining one-half month, or $300.00, may be claimed upon completion of the surveying, sampling and mapping.

A deletion of $21.54 has been made from the costs claimed for gas and oil. There were no supporting documents for the full amount claimed.

Dorothy F. Long

cc: OME (2)
USGS(2)
Contract Admin. & Audit Div. (2)
WMR
USBM (AD)

So. 157 Howard Street
Spokane 4, Washington

September 30, 1958

10/3 C 220
10/3 EEF 800
10/3 WSM 400

Mr. C. W. McDowell
Mac D Mining Co.
2414 Woodlawn Avenue
Boise, Idaho

Re: Docket No. DMRA-4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. McDowell:

Enclosed are the original and four copies of a proposed Amendment No. 1 to the referenced contract, signed by the Acting Director for the Government. The Office of Minerals Exploration mentioned in the amendment is the successor to the Defense Minerals Exploration Administration.

If the terms and conditions of the proposed amendment are satisfactory, please sign all copies, keep the one marked for the Operator, and return the other four copies to this office.

If any part of the proposed amendment is not satisfactory, please return all five copies unsigned to this office with your proposed changes.

Will you please advise us when work under the contract is started.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

Enclosure

cc: OME (2)
USBM(2)
USBM(AD)
Sample

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-17	Hopkins	400
9-17	Martin	400
9/18	Talbert	800
9/23	G C S	130
"	Johnson	116
"	Attendo	110
9/24	C S	220
		400

SEP 24 1958

Mr. A. E. Weissenborn, Executive Officer
OME Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Weissenborn:

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

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHS)

Enclosures

APPROVED:

Frank J. Cservenyak (JHS)
Member, Bureau of Mines

N. E. Nelson (JHS)
~~Member, Geological Survey~~

TLCHAPMAN/dlm 9-17-58
cc to: Code 400
Admr. R. File
Oper. Comm.
REGION I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-11	Martin	400
9-11		400
9-12	Chapman	800
9/12	GCS	130
"	Johnson	110
		100
		320
		720

Mr. A. B. Weissenborn, Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

SOLICITOR

SEP 15 1958

INTERIOR DEPT.

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Weissenborn:

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

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

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

TLCHAPMAN/dlm 9-11-58
cc to: Code 400
Admr. R. File
Oper. Comm.
REGION I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

Government's copy

Long
App'd. Sol. Off.

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

AMENDMENT NO. 1

It is agreed this ____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Mac D. Mining Corporation, that Exploration Project Contract No. Idm-E1201 (Docket No. DMEA-4892) dated June 6, 1958, is amended as of the date of the Contract as follows:

1. In Article 3 the date on or before which work is to be commenced is extended from August 1, 1958, to September 15, 1958, and the date on or before which the work is to be completed is extended from September 1, 1958, to November 1, 1958.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

MAC D. MINING CORPORATION

By_____

Title_____

Government's copy

Long
Dunger
App'd. Sol. Off.
Chapman
Martin
Chapman
Selfridge
Johnson

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, ~~Defense~~ Minerals Exploration ~~Administration~~, and Mac D. Mining Corporation, that Exploration Project Contract No. Idm-E1201 (Docket No. DMEA-4892) dated June 6, 1958, is amended as of the date of the Contract as follows:

1. In Article 3 the date on or before which work is to be commenced is extended from August 1, 1958, to September 15, 1958, and the date on or before which the work is to be completed is extended from September 1, 1958, to November 1, 1958.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
~~Administrator, Defense~~ Minerals Exploration ~~Administration~~

MAC D. MINING CORPORATION

By_____

Title_____

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1958

DATE	INITIALS	CODE
9/16	C	220
		130
		400

RECEIVED
SEP 16 6 45 AM '58
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BMD - COMMUNICATIONS

AXXXXXXX-180K

XDXXXXXX-181K

YWA198 WAF SP 28 I-GS-G

SPOKANE WASH 9-15-58 1641U

GEORGE C SELFRIDGE CHAIRMAN OPERATING COMMITTEE

DMEA WA

REOURLET AUGUST 25, DOCKET NO. DMEA 4892, MAC D MINING CORPORATION. OPERATOR HAS ADVISED BY PHONE THAT BULLDOZER STILL NOT AVAILABLE. REQUEST POSTPONEMENT OF STARTING DATE TO OCTOBER 15 1958 AND COMPLETION DATE TO DECEMBER 1 1958.

A E WEISSENBORN, EXECUTIVE OFFICER REGION I

25 4892 15 1958 1 1958

EKC 1644U

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-3	Martin	400
9-3	Chapman	400
		140
		140

September 3, 1958

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Preparation of Amendment No. 1
Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Attached is a rough draft of Amendment No. 1 for your use in preparing it in final form.

W. S. MARTIN

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

Attachment

TLChapman:foc
9-3-58
cc to: Docket
Chron. File

8623

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mac D. Mining Corporation, that Exploration Project Contract No. Idm-E1201 (Docket No. DMEA-4892) dated June 8, 1958, is amended as of the date of the Contract as follows:

The date fixed for starting of the work is changed from August 1, 1958, to September 15, 1958.

In Article 1, the period for completion of the work is extended from September 1, 1958, to November 1, 1958.

The Amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the government may be required to contribute, or the fixed unit cost of any item of work.

EXECUTED in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator

MAC D. MINING CORPORATION

By_____

Title_____

JUSTIFICATION

For extension of starting time and completion time Contract No. E1201 (Docket No. DMEA-4892) Mac D. Mining Corporation.

Due to the inability to obtain a tractor on or before the designated starting period the Operator was unable to start the work. A tractor has now been obtained and work will be started at once.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
August 25, 1958

8/28 C 220
130
8/29 WSG 400

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D Mining Corporation
Lucky Boy No. 1, et al., Claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Selfridge:

Enclosed are two copies of a letter from C. W. McDowell requesting an extension of the date for starting work under this contract.

Due to an unusually large number of contracts in connection with the Interstate Highway Program available D-8 or comparable size bulldozers are difficult to find in the Boise area.

We therefore recommend that the request be approved and an amendment be prepared to extend the starting date from August 1, 1958, to September 15, 1958, and to extend the date for completion from September 1, 1958, to November 1, 1958.

By Field Team, Region I

Wing G. Agnew

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Donald R. MacLaren

Donald R. MacLaren, Acting Member
U. S. Geological Survey

Enclosures
cc: USBM(2)
USBM(AD)
Albee

COPY COPY

Mr. C. W. McDowell
Mac D Mining Co.
2414 Woodlawn Ave.
Boise, Idaho

Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Wash.

Re: Docket #DMEA-4892 - Mercury
Contract #Idm-E1201

Dear Sirs:

In regards to starting date of our DMEA loan. We would like to have it extended to September 15 starting date.

Due to the fact that Triangle Construction Company received contracts for work to the extent that they were faced with the possibility of not having equipment enough of their own to take care of them. They notified us of this condition shortly before August 1st. We had to find another D8 Cat. Due to State Highway contracts being let, it is very difficult to find good equipment.

We have been trying to get a cat from Vernon Brothers. As soon as their lawyer returns from California the necessary papers will be drawn up and we will have the D8 cat. This should be the next few days and we will be able to start operation.

Sincerely,

/s/ C. W. McDOWELL

8/29 WSM 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
August 12, 1958

DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE
8/26	C	220
8/26	Com	100
"	[illegible]	110
8/27	[illegible]	800
8/27	WSM	400

MEMORANDUM

To: DMEA Field Team, Region I

From: Howard F. Albee, Geologist

Subject: Interim inspection, Docket No. DMEA-4892 (Mercury), Mac D. Mining Corp., Lucky Boy No. 1 Claims, Owyhee County, Idaho, Contract No. Idm-E1201

C. W. McDowell was contacted in Boise, Idaho, on August 11, 1958, by Howard F. Albee and Donald R. MacLaren, Geologists, U. S. Geological Survey.

The company has not started work under the contract because of the difficulty in getting a bulldozer. The State of Idaho has let an unusually large number of contracts in connection with the Interstate Highway Program, and these contracts have taken most of the available D8 Caterpillar and comparable size bulldozers.

Mr. McDowell, however, stated that the company should have definite word on a bulldozer within a week or 10 days and would then be able to determine the date by which they could start work. When this date is determined, the company will request an amendment to extend the starting date and the date of completion.

Howard F. Albee

Distribution:
DMEA (Orig.&3)
USBM(2)
AD
Docket
Albee

So. 157 Howard Street
Spokane 4, Washington

July 28, 1958

DMEA RECEIVED 4

8/4 8/5 8/5 N.g. 226 900 400

Mr. C. W. McDowell
Mac D Mining Corporation
2414 Woodlawn
Boise, Idaho

Re: Docket No. DMEA-4892 - Mercury
Lucky Boy No. 1, et al. claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. McDowell:

This is in reply to your letter of July 23, 1958, in which you ask if it will be necessary to meet with our field men before starting work on your project. Such a meeting is certainly not necessary as Mr. Albee explained to Mr. George McDowell during a telephone conversation in the afternoon of July 10.

In a letter dated June 24, with which he returned the signed copies of the contract, Mr. W. R. McDowell said, "We would also like to know when one of your men would be available in this area to go over the work with us." In our reply to him we stated, "We expect to have our field men in western Idaho the week of July 7, 1958 and will probably be in the vicinity of Boise on either the 11th or 12th." We reached Emmett late in the afternoon of the 10th and before coming into Boise where we had planned to spend the night, we telephoned Mr. George McDowell to learn what questions you might have and to see if we could answer them by phone and if not, to make an appointment for the next day. Mr. George McDowell called Mr. W. R. McDowell and then called us back to advise us that you were out of town and that he did not know of any questions. Had we known that you would return to Boise on the 11th we would have been glad to have waited for you.

Our field men plan to leave for western Idaho again on August 11, but I cannot tell at this time whether they will proceed directly to Boise or will have another inspection to make on the way. They plan to visit your property some time that week to inspect the progress and results of the work.

We are sorry for any inconvenience we may have caused you during our July trip and I will be glad to telephone you August 11 to try and arrange a definite date for our first inspection if you so desire.

Sincerely yours,

Donald R. MacLaren
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team Region I

cc: DMEA (2) w/incom.
USBM (2) "
Albee
AD

mar 9/24

mar
al

Mr. C. W. McDowell
Mac D Mining Corporation
2414 Woodlawn
Boise, Idaho

July 23, 1958

U. S. Department of Interior
Defense Minerals Exploration Administration
Sd. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA4892-Mercury
Contract No. Idm E1201

Dear Sir:

We understood we were to meet with your engineers to plan the work on our Mercury mine.

According to word received from your office, the engineers were to be here July 11th and 12th. I was out of town and came back to Boise to meet with them but they were here July 10th and I missed them.

We are making preparations to start work and wish to know if it is necessary to meet with your engineers first, and if so, when such a meeting could be arranged.

Looking forward to an early reply,

I remain,

Yours very truly,

C. W. McDowell

CWMcD:lh

air mail
1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 4 1958

DATE	INITIALS	CODE
8/4	H.g.	225
4		100
11		110
8/5		900
8/5	WSM	400

July 22, 1958

MEMORANDUM

To: DMEA Field Team, Region I

From: E. G. Erickson, Mining Engineer, Bureau of Mines, and
H. F. Albee and D. R. MacLaren, Geologists, Geological Survey

Subject: Initial inspection, Docket No. DMEA-4892 (mercury), Mac D. Mining Corp., Lucky Boy No. 1 Claims, Owyhee County, Idaho, Contract No. Idm-E1201

On July 10, 1958, an attempt was made to contact the Operator, Mr. W. R. McDowell, through his son, Mr. George A. McDowell, Idaho State Mine Inspector, Boise, Idaho. Mr. Albee was informed that the Operator was inspecting another property in central Idaho and was not expected in Boise for several days.

Mr. George McDowell stated the Operator would like to talk to the field engineers but he did not believe it was urgent enough for us to wait in Boise or to return there on this trip as there were no specific questions regarding the contract work that would hinder starting the exploration work.

The property was not visited since it was reported that no contract work had been performed.

The effective date of the contract is June 6, 1958; the starting date is on or before August 1, and the termination date is September 1, 1958, for Stage I. Should the contract go into the second stage, the completion date will have to be extended.

E. G. Erickson

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Erickson

ORIGINAL FILE COPY
DMEA
RECEIVED JUN 30 1958

DATE	INITIALS	CODE
6/30	C	220
7/1	WW	800
	WSM	400

So. 157 Howard Street
Spokane 4, Washington

June 27, 1958

Mr. W. R. MacDowell, President
Mac D. Mining Corporation
2414 Woodlawn Street
Boise, Idaho

Re: Docket No. DMEA 4892 - Mercury
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. MacDowell:

Thank you for your prompt return of the DMEA contract which we received June 25 and which has been forwarded to our Washington office.

We expect to have our field men in western Idaho the week of July 7, 1958 and will probably be in the vicinity of Boise on either the 11th or 12th. They will call you when they arrive.

Sincerely yours,

Donald R. MacLaren
For: Wing G. Agnew
Acting Executive Officer
DMEA Field Team Region I

cc: DMEA (2) w/incoming
USBM (2)
USBM(AD)
Albee

June 24, 1958

U.S. Department of the Interior
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Attention: Mr. A. E. Weissenborn

Dear Mr. Weissenborn:

We have received the DMEA contract on the Lucky Boy mercury claims.

The contract is acceptable to us, although we doubt if the estimated expenditure will complete what exploration work we want to do.

We have executed the contract and are returning the original and three copies retaining the fourth copy for our use.

With reference to the starting date under Article 3 we would suggest that August 1, 1958 be inserted. Unless you advise otherwise we are showing that date in our copy. This will give us enough time to make arrangements for the work and go over it with your representatives. We would also like to know when one of your men would be available in this area to go over this work with us.

Will you please acknowledge receipt of the executed contracts.

Yours very truly,

MAC D MINING COMPANY

By

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
June 25, 1958

DMEA
RECEIVED JUN 30 1958

DATE	INITIALS	CODE
6/30	C	220
6/30	B	215
		400

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho
Contract No. Idm-E1201

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of a long form contract to the above-referenced project. The required Consents to Lien have been attached to the contract. The Operator expects to commence work on or before August 1, 1958, and this date has been inserted in Article 3.

Other copies of the contract have already been distributed.

Sincerely yours,

Donald R. MacLaren

Donald R. MacLaren
For: Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I

Enclosures
cc: USBM(2)
USBM(AD)
Albee

6/26	N.G. WSM	225 400

So. 157 Howard Street
Spokane 4, Washington

Air Mail

June 20, 1958

Mr. W. R. McDowell
Mac D. Mining Company
2414 Woodlawn Street
Boise, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho

Dear Mr. McDowell:

Enclosed are the original and four copies of a proposed long-form contract signed by the Administrator, Defense Minerals Exploration Administration, for the Government.

Your attention is called to Article 8(b) of the contract which deals with repayment by the operator from royalty on production. Any production from the land described in the contract is subject to the royalty provisions of the contract whether or not the ore was known to exist prior to the date of the contract or it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

If the terms and conditions of the proposed contract are agreeable to you, you should sign all five copies, keep the one marked Operator's copy, and return the other four to this office. If any part of the proposed contract is not acceptable, you should return all copies together with your proposed changes.

If you find the contract acceptable, we urge you to sign and mail it to this office without delay as any returned contract postmarked after midnight, June 30, 1958, cannot be accepted.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: DMEA (2)
USBM (2)
USBM (AD)
Alvord

P. S. You will note under Article 3 that the starting date is left blank. Please advise us the date by which work will be started so that we can insert it in the contract.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958
DATE
6/13 C WSM 220 400

So. 157 Howard Street
Spokane 4, Washington

Air Mail

June 11, 1958

Mr. W. R. McDowell, President
Mac D. Mining Company
2414 Woodlawn
Boise, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Sunset, Vermillion & Lucky Boy Claims
Owyhee County, Idaho

Dear Mr. McDowell:

We have received from Washington a proposed Contract for aid to explore on the Mac D. property, signed by the Administrator for the Government. However, we cannot send it to you for your consideration and signature until we receive the original and four properly executed copies of each of the three sets of Consent to Lien and Subordination Agreement forms we sent you with our letter of April 25, 1958. One set should be completed and signed by Thomas P. Booth, Hannah Booth, Earnest Booth, and Ellen Booth; one set by Elijah Elmer Pierce and Ida Alice Pierce; and the third set by W. R. McDowell and Ruby McDowell.

As soon as we receive these documents, we will forward the Contract to you.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: DMEA (2)
USBM (2)
Alvord

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-2	Chapman	400
6-2	Martin	400
6/6	[illegible]	130
6	Johnson	110
9	[illegible]	100
6/9	[illegible]	220
6-3	Chamber	800
		400

JUN 6 1958

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed long form contract to the above-referenced project, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of the proposed contract are agreeable to you and the Operator, all five copies should be signed by the Operator and the usual distribution made. However, you should first be furnished the necessary Consents to Lien.

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

Sincerely yours,

Enclosures

George C. Selfridge

APPROVED:

Chairman, Operating Committee (GCS)

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

TLCHAPMAN/dlm 6-2-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Messrs.

8623

June 3, 1958

Memorandum

To: Operating Committee

From: Jay L. Chambers

Subject: Docket No. DMEA-4892

After talking with Mr. Martin and reading the application for this contract I came to the conclusion that Mr. Martin intended for the Operator to do his own independent work on bulldozing. Of course, this is contrary to the independent contract. The contract, however, is so small and the length of time in preparing it has been so long it is my opinion it should go out as is.

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

ANNEX I

The land referred to in Article 2 of the contract consists of 8 unpatented lode mining claims, outlined in heavy lines on the attached Figure 2, all of which are situated in sections 1 and 12, T. 2 N., R. 5 W., Boise Meridian, Owyhee County, Idaho. The notices of location of the claims, to which reference is hereby made for a more complete description, are recorded in the official records of Owyhee County, Idaho, as follows:

Claim Name	Book No.	Page No.
Lucky Boy No. 1	25	41
Lucky Boy No. 2	25	43
Lucky Boy No. 3	25	45
Lucky Boy No. 4	25	47
Lucky Boy No. 5	25	81
Lucky Boy No. 6	25	113
Red Streak No. 1	25	65
Red Streak No. 2	25	67

The Operator is in possession of the claims pursuant to the terms of an Assignment, executed by W. R. McDowell, of two leases: one dated September 13, 1957, from Mr. and Mrs. Thomas P. Booth, and Mr. and Mrs. Earnest Booth, and another dated January 15, 1958, from Elijah Elmer Pierce and Ida Alice Pierce. Copies of the leases and Assignment are contained in DMEA Docket No. 4892.

Consent to Lien and Subordination Agreements executed by the above-mentioned lessors are attached amd made a part hereof.

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

EXHIBIT "A"

Description of the Work

The work is divided into two stages. The Operator shall perform the Stage I work and as much of the Stage II work as is approved in advance by the Government.

Attached are the following maps:

Figure 1. Location Map Mac D. Mining Company, Lucky Boy and Sunset groups of claims, Owyhee County, Idaho.

Figure 2. Sketch map of Lucky Boy and Sunset groups showing the area of proposed exploration.

Figure 3. Plan Map Showing Mineralized Exposures and Part of the Proposed Work on the Lucky Boy Nos. 2 and 3 Claims, Mac D. Mining Company, Owyhee County, Idaho.

Stage I

With a D-8 Caterpillar, or equivalent unit of another make, equipped with a ripper, bulldoze 6 or 7 trenches, aggregating an estimated 1000 feet of trenching, along and across shear zones, at the approximate locations shown on Figure 3. The trenching shall reach bed rock and shall average about 8 feet in depth. At points where mineralization is encountered in the cross trenches, the area shall be opened with longitudinal trenches.

Mineralized zones shall be sampled and assayed for mercury.

An engineer-geologist shall survey, sample and prepare maps of trenched area, and a supervisor shall be in direct charge of the work.

It is estimated that approximately 100 hours of bulldozer time, the services of the engineer-geologist for 4 days and the services of a supervisor for 1 month will be required to complete this stage.

Stage II

The mineralized zones shall be explored at depth by wagon drilling 17 holes at intervals of not less than 25 feet, to a maximum depth of 60 feet per hole. Holes shall be not less than $2\frac{1}{2}$ inches in diameter, and the total drilling shall not exceed 1,000 feet. Drill sites shall be prepared with a TD-9 bulldozer ~~owned by the operator and paid for on an actual cost basis.~~ or equiv. unit of another make. With the approval of the Govt. the operator may do the bulldozing on an actual cost basis at a price not higher than the price ~~allowed~~ specified by independent contractors.

Holes shall be sampled at 5-foot intervals and assayed for mercury.

An engineer-geologist shall survey and map location points of drill holes and check the sampling. It is estimated that his work in this stage will require 4 days. A supervisor for this stage is estimated to require one month.

ESTIMATED COST OF THE PROJECT

Actual Costs

Stage I		
Category (1) Independent Contracts		
Bulldozer trenching, 100 hours at $18.00/hr.	$1,800.00	
Transportation of equipment from and to Boise, Idaho	280.00	$2,080.00
Category (2) Personal Services		
Engineer-geologist, 4 days at $75.00/day	300.00	
Supervisor, 1 month	600.00	900.00
Category (3) Operating Materials and Supplies ~~None~~ " Gas, Oil, etc.	~~[illegible]~~ 40.00	40.00
Category (4) Operating Equipment None except:		
Depreciation - 1 Pick-up truck ($2,400.00) 1/60th	40.00	40.00
Category (5) Initial Rehabilitation and Repairs None	- - -	
Category (6) New Buildings, Fixtures and Installations None	- - -	
Category (7) Miscellaneous		
~~Sacks~~, Transportation samples, assaying for mercury, 40 samples at $2.50/each sample	100.00	
Payroll taxes, insurance - $600.00 at 15 percent	90.00	
Travel for engineer-geologist ~~and Supervisor~~	40.00 ~~80.00~~	230 ~~270.00~~
Estimated Total Cost Stage I		$3,290.00
Stage II		
Category (1) Independent Contracts		
~~(Operator)~~ With TD-9 bulldozer, prepare 17 drill hole sites for ~~17 holes~~ at $8.00/each ~~hole~~	136.00	136.00

Category (2) Personal Services			
Engineer-geologist, 4 days at $75.00/day		$300.00	
Supervisor, 1 month		600.00	
1 driller, 20 days at $18.00/day		360.00	
1 helper and sampler, 20 days at $16.00/day		320.00	$1,580.00
Category (3) Operating Materials and Supplies		820.00 ~~780.00~~	820.00 ~~780.00~~
Category (4) Operating Equipment			
Rental - 1-500 gallon water tank, 1 month		35.00	
Purchases - None			
Depreciation	Value		
1 - 420 cubic foot compressor	$6,000.00		
D-14 Cleveland wagon drill	750.00		
2-inch gas driven water pump	125.00		
$1\frac{1}{2}$ ton truck	2,400.00		
1 month, 1/60th	$9,275.00	155.00	190.00
Category (5) Initial Rehabilitation and Repairs			
None		- - -	
Category (6) New Buildings, Fixtures, Installations			
None		- - -	
Category (7) Miscellaneous			
~~Supplies~~, Transportation samples, assaying for mercury, 200 samples at $2.50/each sample		500.00	
Payroll taxes, insurance, $1,280.00 at 15%		192.00	
Travel for engineer-geologist, ~~supervisor~~		40.00 ~~80.00~~	732.00 ~~772.00~~
Estimated Total Cost Stage II			$3,458.00

Estimated Total Cost of Stage I	$3,290.00
Estimated Total Cost of Stage II	$3,458.00
Estimated Total Cost of Project	$6,748.00
Government participation at 50%	$3,374.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

May 26, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 28 1958
DATE
5/28 C 220
WSM 400

Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Sunset, Vermillion & Lucky Boy Claims
Owhyee County, Idaho

Dear Mr. Selfridge:

Reference is made to our letter of May 22, 1958.

Enclosed are the two copies of Assignment of Mining Lease and Agreement, which have been completed by Mr. McDowell.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Alvord

ORIGINAL FILE COPY
DMEA
RECEIVED MAY 26 1958
DATE 5/26 C WSM CODE 220 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

May 22, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Sunset, Vermillion & Lucky Boy Claims
Owhyee County, Idaho

Dear Mr. Selfridge:

Enclosed are two thermofax copies* of Assignment of Mining Lease and Agreement referred to in our letter of May 2, 1958, and our teletype of May 20, 1958.

The originals which Mr. McDowell sent us were not signed for Mac D. Mining Company, assignee. We have returned the originals for signature by the assignee, completion of the second affidavit, and inclusion of the date, but are sending you the thermofax copies in case they will make it possible to continue processing the application. Copies of our letter to McDowell are attached.

By Field Team, Region I

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
Alvord

* See signed original received with letter of May 26, 1958.

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AXXXXXXX-111K

AXXXXXXX-112K

AXXXXXXX-113K

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GEORGE C. SELFRIDGE

CHAIRMAN OPERATING COMMITTEE

DMEA, WASHN. D. C.

REURTT MAY 20 DOCKET DMEA 4892 MAC D MINING CORPORATION. MACLAREN TELEPHONED MC DOWELL MAY 20 AND HE SAID ASSIGNMENT WAS AIRMAILED THIS MORNING, THAT CONSENTS ARE BEING SIGNED WITHOUT DIFFICULTY, AND THAT THEY WOULD BE MAILED WITHIN A FEW DAYS.

A. E. WEISSENBORN, EXECUTIVE OFFICER, REGION 1

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GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
WP - COMMUNICATIONS

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 21 1958

DATE	INITIALS	CODE
5/21	C	220
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BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Government's copy

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
		Idm–E		
4892	Mercury		Owyhee	Idaho

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mac D. Mining Corporation, an Idaho Corporation

whose mailing address is 2414 Woodlawn Street
Boise, Idaho
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 4 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $6,876.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $3,438.00, in accordance with the provisions of Articles 4 and 5.

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

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

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of lessors.

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

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

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

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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Long
Analyzer
App'd. Sol. Off.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

MAC D. MINING CORPORATION
(Operator)

By .....
Administrator, Defense Minerals
Exploration Administration

By .....

Title .....

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

ANNEX I

The land referred to in Article 2 of the contract consists of 7 unpatented lode mining claims, outlined in green on the attached Figure 2, all of which are situated in sections 1 and 12, T. 2 N., R. 5W., Boise Meridian, Owyhee County, Idaho. The Notices of Location of the claims, to which reference is hereby made for a more complete description, are recorded in the official records of Owyhee County, Idaho, as follows:

Claim Name	Book No.	Page No.
Lucky Boy No. 1	25	41
Lucky Boy No. 2	25	43
Lucky Boy No. 3	25	45
Lucky Boy No. 4	25	47
Lucky Boy No. 5	25	81
Lucky Boy No. 6	25	113
Red Streak No. 1	25	65

The Operator is in possession of the claims pursuant to the terms of an Assignment, executed by W. R. McDowell, of a lease dated September 13, 1957, from Mr. and Mrs. Thomas P. Booth, and Mr. and Mrs. Ernest Booth, to W. R. McDowell. Consent to Lien and Subordination Agreements executed by the owners are attached and made a part hereof.

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA-4892

EXHIBIT A

Description of the Work

The work is divided into two stages. The Operator shall perform the Stage I work and as much of the Stage II work as is approved in advance by the Government.

Attached are the following maps:

Figure 1. Location Map Mac D. Mining Company, Lucky Boy and Sunset groups of claims, Owyhee County, Idaho.

Figure 2. Sketch map of Lucky Boy and Sunset groups showing the area of proposed exploration.

Figure 3. Plan Map Showing Mineralized Exposures and Part of the Proposed Work on the Lucky Boy Nos. 2 and 3 Claims, Mac D. Mining Company, Owyhee County, Idaho.

Stage I

With a D-8 Caterpillar, or equivalent unit of another make, equipped with a ripper, bulldoze 6 or 7 trenches, aggregating an estimated 1000 feet of trenching, along and across shear zones, at the approximate locations shown on Figure 3. The trenching shall reach bed rock and shall average about 8 feet in depth. At points where mineralization is encountered in the cross trenches, the area shall be opened with longitudinal trenches.

Mineralized zones shall be sampled and assayed for mercury.

An engineer-geologist shall survey, sample and prepare maps of trenched area, and a supervisor shall be in direct charge of the work.

It is estimated that approximately 100 hours of bulldozer time, the services of the engineer-geologist for 4 days and the services of a supervisor for 1 month will be required to complete this stage.

Stage II

The mineralized zones shall be explored at depth by wagon drilling approximately 17 holes to a maximum depth of 60 feet per hole. Not in excess of 1000 feet of drilling shall be performed in this stage. Drill sites shall be prepared with TD-9 bulldozer owned by the Operator and paid for on a unit cost basis.

Holes shall be sampled at 5-foot intervals and assayed for mercury.

An engineer-geologist shall survey and map location points of drill holes and check the sampling. It is estimated that the work in this stage will require the services of an engineer-geologist for 4 days and a supervisor for 1 month.

ESTIMATED COST OF THE PROJECT

Fixed Unit Costs

Stage I

Bulldozer trenching, 100 hours @ $18.00/hr.	$1,800.00	
Transportation of equipment from and to Boise, Idaho	280.00	
Engineer-geologist, 4 days @ $75.00/day	300.00	
Transportation and expenses	40.00	
Supervisor, 1 month	600.00	
Insurance, etc.	90.00	
Assaying 40 samples @ $2.00/each sample	80.00	
Sacks, transportation samples, etc., @ $0.50/each	20.00	
Estimated Cost of Stage I		$3,210.00

Stage II

Bulldozing 17 drill sites with TD--9 dozer @ $8.00/each	$ 136.00	
Wagon drill 1000 feet of hole at $2.00/ft.	2,000.00	

Engineer-geologist, 4 days at $75.00/day	$300.00	
Transportation and expenses	40.00	
Supervisor, 1 month	600.00	
Insurance, etc.	90.00	
Assaying, 200 samples at $2.00/each sample	400.00	
Sacks, transportation samples, etc., @ $0.50/each	100.00	
Estimated Cost of Stage II		$3,666.00

Estimated Total Cost of Stage I	$3,210.00
Estimated Total Cost of Stage II	$3,666.00
Estimated Total Cost of Project	$6,876.00
Government Participation @ 50%	$3,438.00

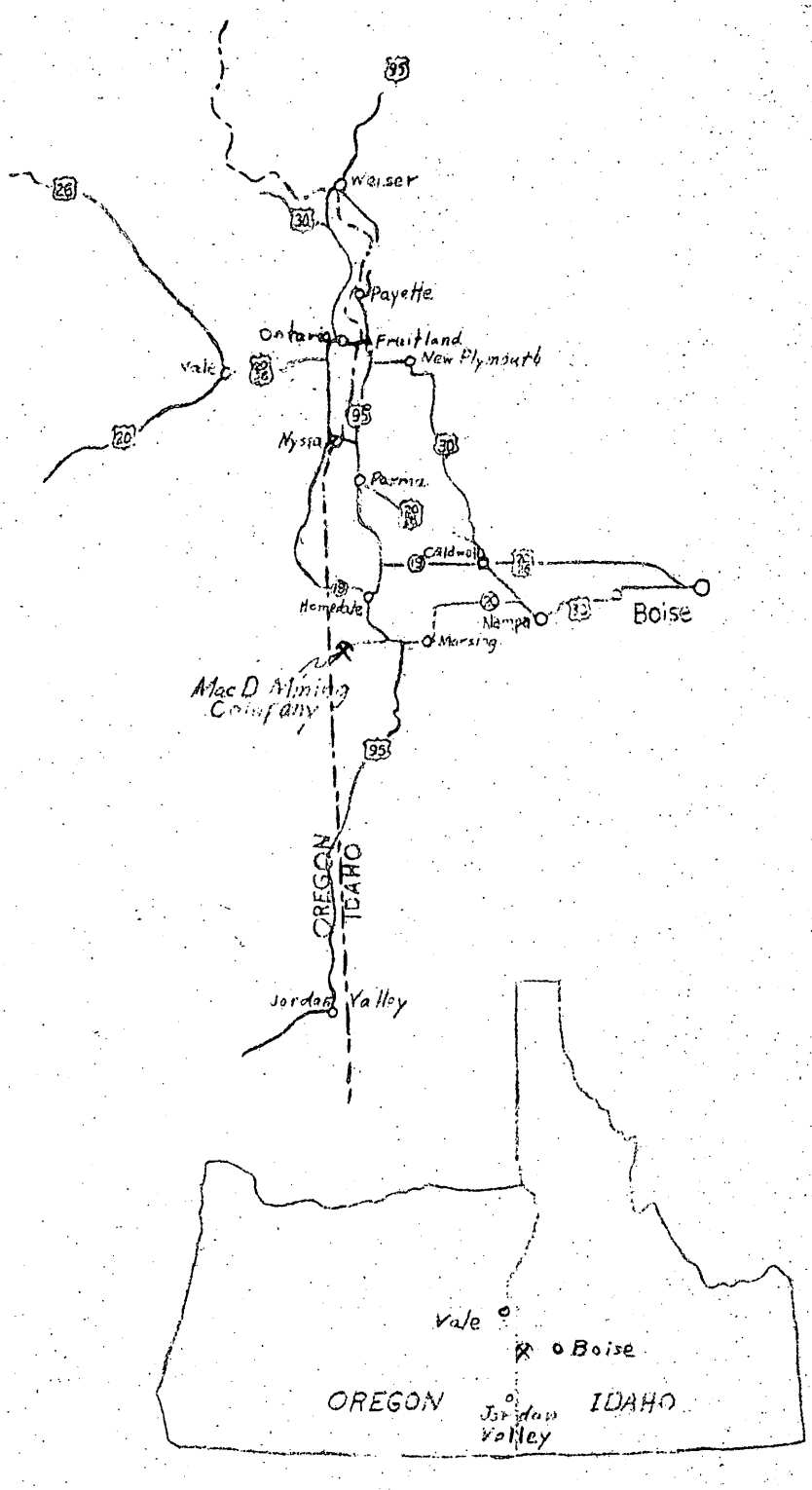

Figure 1. Location Map MacD Mining Company
Lucky Boy and Sunset groups of claims
Owyhee County, Idaho

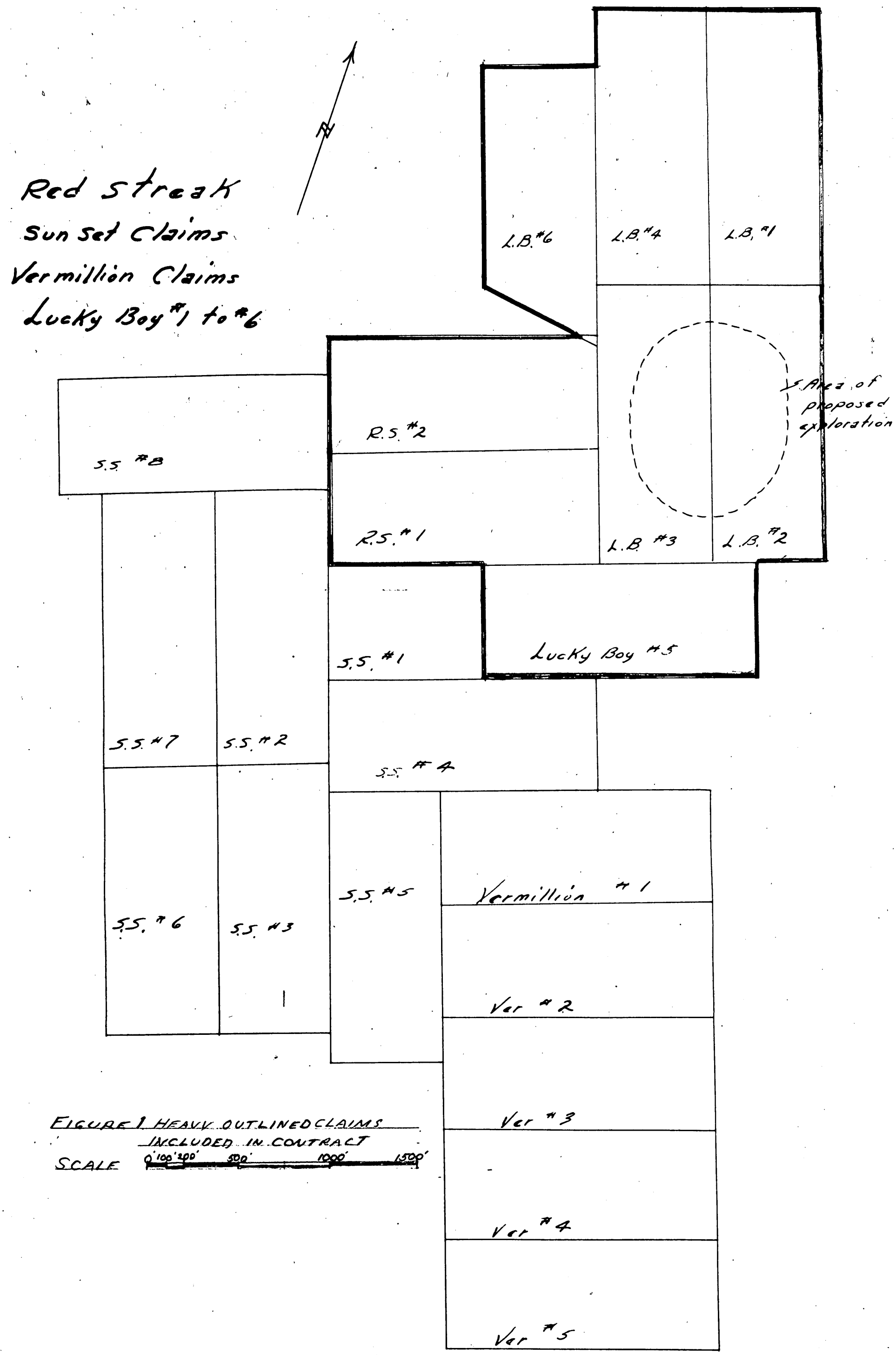

FIGURE 1 HEAVY OUTLINED CLAIMS INCLUDED IN CONTRACT

FIGURE 2

Docket No DMEA 4892

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/20	Chapman	400
5/20	Martin	400
5/20	[illegible]	130
5/28	Johnson	110
"	Rutledge	108
5/20	[illegible]	220
		400

MAY 20 1958

INTERIOR

DMEA

14X4401(01) REVOLVING
FUND, DEFENSE PRODUCTION ACT, INTERIOR,
(TRANSFER TO OFFICE OF SECRETARY)

T E L E T Y P E

MR. A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

FURTHER PROCESSING OF APPLICATION MAC D MINING CORPORATION, DOCKET DMEA 4892, AWAITING CONSENTS AND ASSIGNMENTS SPECIFIED URLET MAY 2, 1958.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE (2/B)

TLCHAPMAN/foc
5-20-58
cc to: CODE 400
ADMR. R. FILE
OPER. COMM.
FT. REG. I
MESSRS. J. W. PENNINGTON, USBM
T. H. KIILSGAARD, USGS

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 12 1958

DATE	INITIA	CODE
5/12	C	220
	WSM	400

So. 157 Howard Street
Spokane 4, Washington

May 9, 1958

Mr. W. R. McDowell, President
Mac D Mining Company
2414 Woodlawn
Boise, Idaho

Re: Docket No. DMEA-4892 (Mercury)
Sunset, Vermillion & Lucky Boy Claims
Owhyee County, Idaho

Dear Mr. McDowell:

This is in further reference to our telephone conversation and letter of April 25, 1958, regarding the necessity for a claim map, an assignment to Mac D. Mining Company of the lease between you and the Booths and Pierces, and pertinent Consent to Lien forms.

We received the claim map May 2, 1958, but have not yet received the assignment of lease or the Consent to Lien forms. We will not need the Consent to Lien forms unless a contract is offered, but we must have the assignment before DMEA can complete processing your application. Therefore, if you are unable to have the Consent to Lien forms signed now, send in the assignment without them so that processing of the application may be resumed.

If one or more of the claim owners will not sign the Consent to Lien, a performance bond or a third party guarantee may be submitted in lieu of the Consent to Lien. This can be worked out later but the immediately urgent need is the assignment.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

cc: DMEA (2)
USBM (2)
Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-7	Chapman	400
5-7	Martin	400
		140
		140

SOLICITOR
MAY 9 1958
INTERIOR DEPT.

May 7, 1958

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Preparation of Contract
Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho

Attached is a re-draft of a proposed long form contract for the captioned project for your use in preparing the contract in final form. You may wish to defer final typing of the contract until the new assignment of lease is received.

W. S. MARTIN

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

Attachment

TLChapman:foc
cc to: Docket
Code 400

8623

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. IMEA 4892

ANNEX I

The land referred to in Article 2, of the contract consists of 8 unpatented lode mining claims, outlined in heavy lines on the attached Figure 2, all of which are situated in sections 1 and 12, T. 2 N., R. 5 W., Boise Meridian, Owyhee County, Idaho. The notices of location of the claims, to which reference is hereby made for a more complete description, are recorded in the official records of Owyhee County, Idaho, as follows:

Claim Name	Book No.	Page No.
Lucky Boy No. 1	25	41
Lucky Boy No. 2	25	43
Lucky Boy No. 3	25	45
Lucky Boy No. 4	25	47
Lucky Boy No. 5	25	81
Lucky Boy No. 6	25	113
Red Streak No. 1	25	65
Red Streak No. 2	25	67

The Lucky Boy claims, by a lease dated September 13, 1957, have been leased by the owners, Thomas P. Booth and Hannah Booth, and Earnest Booth and Ellen Booth, to W. R. McDowell. The Red Streak claims, by a lease dated January 15, 1958, have been leased by the owners, Elijah Elmer Pierce and Ida Alice Pierce, to W. R. McDowell. The above noted leases have been assigned to the Mac D. Mining Corporation by the lessee, W. R. McDowell.

Consents to Lien and Subordination Agreements executed by the owners are attached and made a part hereof.

EXPLORATION PROJECT CONTRACT
MAG D. MINING CORPORATION
DOCKET NO. [illegible]

EXHIBIT A

Description of the Work

The work is divided into two stages. The Operator shall perform the Stage I work and as much of the Stage II work as is approved in advance by the Government.

Attached are the following maps:

Figure 1. Location Map Mag D. Mining Company, Lucky Boy and Sunset groups of claims, Owyhee County, Idaho.

Figure 2. Sketch map of Lucky Boy and Sunset groups showing the area of proposed exploration.

Figure 3. Plan Map Showing Mineralized Exposures and Part of the Proposed Work on the Lucky Boy Nos. 2 and 3 Claims, Mag D. Mining Company, Owyhee County, Idaho.

Stage I

With a D-8 Caterpillar, or equivalent unit of another make, equipped with a ripper, bulldoze 6 or 7 trenches, aggregating an estimated 1000 feet of trenching, along and across shear zones, at the approximate locations shown on Figure 3. The trenching shall reach bed rock and shall average about 8 feet in depth. At points where mineralization is encountered in the cross trenches, the area shall be opened with longitudinal trenches.

Mineralized zones shall be sampled and assayed for mercury.

An engineer-geologist shall survey, sample and prepare maps of trenched area, and a supervisor shall be in direct charge of the work.

It is estimated that approximately 100 hours of bulldozer time, the services of the engineer-geologist for 4 days and the services of a supervisor for 1 month will be required to complete this stage.

/

Stage II

The mineralized zones shall be explored at depth by wagon drill holes with a minimum size of $2\frac{1}{2}$ inches. Drill approximately 17 holes to maximum depth of 60 feet per hole, at intervals of not less than 25 feet. The total drilling shall not exceed 1,000 feet. Drill sites shall be prepared with TD-9 bulldozer owned by the Operator and paid for on an actual cost basis.

Holes shall be sampled at 5 foot intervals and assayed for mercury.

An engineer-geologist shall survey and map location points of drill holes and check the sampling. It is estimated that his work in this stage will require 4 days. A supervisor for this stage is estimated to require one month.

ESTIMATED COST OF THE PROJECT
Long Form Contract

Actual Costs

Stage I		
Category (1)		
Independent Contracts.		
Bulldozer trenching, 100 hours at $18.00/hr.	$1,800.00	
Transportation of equipment from and to Boise, Idaho	280.00	
Total for bulldozing		$2,080.00
Category (2)		
Personal Services		
Engineer-geologist, 4 days at $75.00/day	300.00	
Supervisor, 1 month	600.00	
Total for services		900.00

Category (3)

Operating Material and Supplies	None	

Category (4)

Operating Equipment Rental & Purchases	None	
1 Pick-up truck ($2,400.00) 1/60 depreciation		$ 40.00

Category (5)

Initial Rehabilitation and Repairs	None	

Category (6)

New Buildings, Fixtures and Installations	None	

Category (7)

Miscellaneous

Sacks, transportation samples, assaying for mercury, 40 samples at $2.50 each	$100.00	
Payroll taxes, insurance $600.00 at 15 percent	90.00	
Travel for engineer-geologist and Supervisor	80.00	
Total for miscellaneous		$ 270.00
Total for Stage I		$3,290.00

Stage II

Category (1)

Independent Contracts, (Operator) with TD-9 bulldozer, sites for 17 holes at $8.00 each		$ 136.00

Category (2)

Personal Services

Engineer-geologist, 4 days at $75.00/day		300.00
Supervisor, 1 month	$600.00	
1 driller, 20 days at $18.00/day	360.00	
1 helper and sampler, 20 days at $16.00/day	320.00	
Total		$1,280.00
Total for personal service		$1,580.00

Category (3)			
Operating material and supplies			$780.00
Category (4)			
Operating Equipment			
Rental, 1-500 gallon water tank, 1 month			35.00
Purchases		none	
		1 mo. deprec.	
Depreciation	Value		
1-420 cubic foot compressor	$6,000.00		
D-14 Cleveland wagon drill	750.00		
2 inch gas driven water pump	125.00		
1½ ton truck	2,400.00		
1 month, 1/60 th.	$9,275.00	$155.00	$155.00
Category (5)			
Initial Rehabilitation and Repairs		none	
Category (6)			
New Buildings, Fixtures, Installations		none	
Category (7)			
Miscellaneous			
Sacks, Transportation samples, assaying for mercury, 200 samples at $2.50 each		$500.00	
Payroll taxes, insurance. $1,280.00 at 15 percent		192.00	
Travel for engineer-geologist, supervisor		80.00	
Total for miscellaneous			$772.00
Total for Stage II			$3,458.00
Estimated cost of Stage I			$3,290.00
Estimated cost of Stage II			3,458.00
Estimated cost of Project			$6,748.00
Government participation, 50 percent			$3,374.00

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-5	Chapman	400
5-5	Martin	400
		130
		110
		100
		310
		220

Mr. A. H. Weissenborn, Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky No. 1, et al., claims
Owyhee County, Idaho

Dear Mr. Weissenborn:

As suggested in your letter of April 25, 1958, which enclosed thermofax copies of leases on Lucky Boy claims Nos. 1 through 8, and Red Streak Nos. 1 and 2, we will include both Red Streak claims in the proposed contract.

If you have not already done so, please request Assignments of the respective leases to Mac D. Mining Corporation by J. R. McDowell, as well as Consent to Lien and Subordination Agreement forms from the owners.

Sincerely yours,

APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

TLCHAPMAN/dlm 5-5-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. 1
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

Member, Geological Survey

See FT letter of May 2, rec'd May 5, 1958
WBG

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So: 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED 5

5/5 C 220
WSM 400

May 2, 1958

Mr. William S. Martin
Division of Iron & Ferro-Alloys
Defense Minerals Exploration Admin.
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Sunset, Vermillion & Lucky Boy Claims
Owhyee County, Idaho

Dear Mr. Martin:

In further reference to our telephone conversation of April 25, 1958, and our letter of the same date, we are enclosing three copies of a letter dated May 1, 1958, from the referenced applicant and three copies of a corrected claim map.

As soon as we receive the assignment of lease from McDowell to Mac D. Mining Company and the Consents, we will forward them.

We recommend that the claims included in a contract be the Lucky Boy 1 through 6 and the Red Streak 1 and 2.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
USGS (SRO)
Albee

5-5-58
Copies to
USBM

2414 Woodlawn
Boise, Idaho

May 1, 1958

Mr. A. E. Weissenborn
Executive Officer-DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket # DMEA-4892-Mercury
Mac D Mining Company
Owyhee County

Dear Mr. Weissenborn:

Enclosed you will find drawings of the mining claims as requested. Since the date of drawing up the assignment of the mining lease and agreement, there has been some new claims included, therefore, we are making a new copy of the assignment of the mining lease and agreement which will be sent to you in the next couple of days. The forms you sent are being filled out and will be returned to you at the same time.

Hoping that this will clear the way for approval of this project,

I remain,

Yours very truly,

W. R. McDowell
President

WRMcD:lh

Enclosure

RECEIVED
Air Mail
MAY 1958

Category (7)
Miscellaneous

Sacks, transportation samples. ~~40 at $0.50/~~ each	$ 20.00	
Assaying 40 samples at $2.00 each	80.00	
Insurance, etc. $600.00 at 15 percent	90.00	
Travel costs for supervisor	40.00	
Travel for engineer-geologist	40.00	
Total miscellaneous		$ 270.00
Total for Stage I		3,290.00

Stage 2 Actual Costs

Category (1)
Independent Contracts

None

Category (2)
Personal Services

Engineer-geologist, 4 days at $75.00/day	$ 300.00	$ 300.00
Supervisor. 1 month	600.00	
1 driller 20 days at $18.00/day	360.00	
1 helper and sampler, 20 days at $16.00/day	320.00	
Total		$1,280.00

Category (3)
Operating Materials and Supplies.

Diesel fuel, 15 gal. for 20 days at $0.19/gal	57.00	
Gasoline fuel for pump and truck. 160 gal. at $0.35/gal	56.00	
Oil and grease	10.00	
Maintenance compressor	45.00	
Maintenance wagon-drill	30.00	
1¼ inch water hose 50 feet	63.00	
Water hose, 50 feet	29.00	
1¼ inch drill steel. 10 at $25.00 each	250.00	
Drill sleeves, 10 at $8.00 each	80.00	
2½"carbide bits. - 3 at $28.34 each	85.00	
3" carbide bits - 1 at $35.00 each	35.00	
3 inch pipe for casing hole collars 40 feet 40 feet at $0.92½/ft.	37.00	
3 inch T for sample collecting. 2 at $1.50/ea.	3.00	
Total		$ 780.00

DEFENSE MINERALS EXPLORATION ADMINISTRATION

_____ Division Date _____

Semi-Annual Report - Certified Project Date _____

DMEA No. _____ Operator _____ Contract No. Idm-E _____

Ore Reserves

Ore Estimates	Tons	Analysis
Original (DMEA)		
Increase (Operator)		
Total		
Decrease (Production)		
Net Available		

Investment

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

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

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

100338

Re: DMEA - [illegible]

Insert A to ltr.:

Why request copies of leases? Copies on file.

Exhibit A, rewrite portion as follows:

Stage I

Cat (4)	Operating Equipment, Rental	None
	Operating Equipment, Purchases	None
	Operating Equipment, Depreciation:	
	1 pick-up truck, 1 mo.	40.00
Cat (7)	Miscellaneous, more specif:	
	Sampling & analysis, including sacks, transportation & assaying	100.00
	Payroll taxes and insurance	90.00
	Travel of supervisor & Supr.-geol.	80.00
		270.00

Stage II

Cat. (3)	Operating Materials & Supplies	780.00
Cat (4)	Operating Equipment, Rental:	
	1 - 500 gal. water tank, 1 mo.	35.00
	Operating Equipment, Purchases	None
	Operating Equipment, Depreciation:	

(over)

1	420 cu. ft. compressor	1 mo.	$100.00	
1	D-14 Cleveland wagon drill	1 mo	12.50	
1	2-in gasoline water pump	1 mo	2.50	
1	1½ ton truck	1 mo	40.00	155.00

Cat (7) Miscellaneous, none except:

Sampling & analysis, including		
" tests, transportation & assaying	$500.00	
Payroll taxes & insurance	192.00	
Travel of supervision & engr. geol.	80.00	772.00

Note — Description of work states:

"Drill site shall be prepared by TD-9 bulldozer [owned by the Operator and paid for on actual cost basis]."

Bracketed portion does not properly belong in work specification.

However: Estimates of costs contains no estimates for operating wages, fuel, or depreciation. ??

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Draft
See letter typed May 5, 1958 but not sent

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Lucky Boy No. 1, et al., claims
Owyhee County, Idaho

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), Exhibit "A" (3 pages), and three maps. Also enclosed are two extra copies of Annex I, Exhibit "A", and the maps for Field Team use.

If the terms and conditions of this proposed contract are satisfactory to you and the operator, all five copies should be signed and the usual distribution made. ~~(See Insert A)~~

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

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

Sincerely yours,

Chairman, Operating Committee

Noted

INSERT A

First, however, you should obtain from the applicant if you have not already done so, a ~~copy~~ copies of ~~the~~ the lease or leases from the Booths and the Pierces, a copy of the assignment for the Lucky Boy claims lease from W. R. McDowell to the Mac D. Mining Corporation and consents to lien from Thomas P. Booth and his wife _____ Booth, and Ernest Booth and his wife _____ Booth; and for the Red Streak No. 1 a similar assignment from W. R. McDowell and consent to lien from Eligan Elmer Pierce and his wife _____, Pierce. We have completed the contract form to show that the applicant is an Idaho Corporation; if not, you are hereby authorized and requested to change the name of the State; both you and the applicant should initial the change. The Field Team map does not show whether the Red Streak claim included in our green outline is the Number 1 or Number 2; if it is the Number 2 ~~please~~ Annex I must also be changed to conform and similarily initialed.

Put

4892

We have been carrying property as "Sunset, Vermillion, & Lucky Boy Groups of Claims." Do we change?

Yes

HB

~~I put this in~~

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/28	Martin	400
4/28	Selbrede	130
4/28	Pahne	BM
4/28	Kiilsgaard	
"	Johnson	110
"	Mittendorf	100
	Slaughter	220
	Peters	140
		140

APR 30 1958

Hon. Henry Dworshak
United States Senate
Washington 25, D. C.

Dear Senator Dworshak:

From your letter of April 21, 1958, we note that Mr. George A. McDowell, Inspector of Mines, for the State of Idaho, has asked you about the status of the application for exploration assistance for mercury submitted to our Spokane Office on November 29, 1957, by the Mac D. Mining Corporation, our Docket No. DMEA-4892.

Our Field engineer and our geologist examined the property on January 7 and 8, 1958; the applicant submitted a revised work proposal on January 30, 1958; and the on site examination report was received here on March 24, 1958.

We have asked our Field Team to obtain from the applicant corporation, through its president, Mr. W. R. McDowell, several documents concerning leasehold of the property and consent to lien. Final decision will be made as soon as the necessary information is received here.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WSMartin/foc
4-28-58
cc to: Code 400
MDM
MR
DL
DCCO
FT. REG. I
H. W. Davis, USBM
T. H. Kiilsgaard, USGS
Secretary's Read. File

PRS 9184

8623

CARL T. DURHAM, N. C.
CHAIRMAN
CHET HOLIFIELD, CALIF.
MELVIN PRICE, ILL.
PAUL J. KILDAY, TEX.
JOHN J. DEMPSEY, N. MEX.
STERLING COLE, N. Y.
JAMES E. VAN ZANDT, PA.
JAMES T. PATTERSON, CONN.
THOMAS A. JENKINS, OHIO

JAMES T. RAMEY, EXECUTIVE DIRECTOR

Congress of the United States
JOINT COMMITTEE ON ATOMIC ENERGY

CLINTON P. ANDERSON, N. MEX.
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WILLIAM F. KNOWLAND, CALIF.
JOHN W. BRICKER, OHIO
HENRY DWORSHAK, IDAHO

April 21, 1958

PRS
APR 22 1958 9184

TO: MDM	
REPLY TO BE PREPARED BY:	MDM
FOR SIGNATURE OF:	MDM
COPY OF LETTER FURNISHED	
MR DL	
SEND REPLY COPY TO ABOVE	

Mr. C. O. Mittendorf
Administrator of DMEA
Department of Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

I have been advised by Mr. George A. McDowell, Inspector of Mines for the State of Idaho, that an application for assistance, Doc. No. 4892, in the development of mercury properties in Marsing, Idaho, was submitted to your Spokane Office on January 28 by the Mack B. Mining Company, Owyhee County, Idaho.

Late in February Mr. Weissnborn of your Spokane Office advised Mr. McDowell the above document had been forwarded to Washington for final determination. The applicants are anxious to develop this property and will appreciate hearing from you as to the status of their application and the date when a decision may be rendered in this case.

Sincerely yours,

Henry Dworshak

Henry Dworshak
United States Senator

OFFICIAL FILE COPY
DMEA
RECEIVED APR 23 1958

DATE		
4/23	C	220
	WSM	400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

DMEA
RECEIVED APR 28 1958
4/28 C 220
WSM 400

April 25, 1958

Air Mail

Mr. William S. Martin
Division of Iron & Ferro-Alloys
Defense Minerals Exploration Admin.
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Sunset, Vermillion & Lucky Boy Claims
Owhyee County, Idaho

Dear Mr. Martin:

In accordance with our telephone conversation this morning, there are enclosed one Thermofax copy each of two leases. One lease, covering the Lucky Boy claims 1 through 8, is between W. R. McDowell and Thomas P. Booth and Hannah Booth and Earnest Booth and Ellen Booth; the other, covering the Red Streak 1 and 2 claims, is between W. R. McDowell and Elijah Elmer Pierce and Ida Alice Pierce.

Red Streak 2 is the one farther north

We called Mr. McDowell to ascertain which claim is Red Streak 1 and which is Red Streak 2. It appears, however, that our Claim Map is in error and that Red Streak 1 and 2 and all of the Sunset claims should be moved one claim with respect to the Lucky Boy 3. Lucky Boy 6 also moves north. Therefore, to be safe both Red Streak claims should be included in the contract. McDowell promised to send a new sketch of the claims, which we shall forward to you.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures
cc: USBM(2)
USGS(SRO)
Albee

Leases filed with contract

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

APR 24 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Division of Iron and Ferro-Alloys

From: Associate Solicitor, Division of Mineral Resources

Subject: Contract with Mac D. Mining Corporation
DMEA-4892 - Mercury

Pursuant to Mr. Martin's request we have prepared the attached contract.

The docket does not contain either a copy of the lease, a copy of the assignment, or a copy of the Consent to Lien and Subordination Agreement referred to in Annex I. All of these documents should be obtained from the Operator before the contract is executed.

Robert P. Dwyer

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-18	Chapman	400
4-18	Martin	400
		140
		140

C

INTERIOR DEPT.
APR 21 1958
SOLICITOR

April 17, 1958

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys

Subject: Preparation of contract
Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
~~Sun Set, Vermillion and Lucky Boy Groups of claims~~ Lucky Boy No. 1, et al., claims
Owyhee County, Idaho

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

W. S. MARTIN

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

Attachment

TLCHAPMAN/foc
4-17-58
cc to: Docket
Code 400

8623

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. IMEA 4892

EXHIBIT A

Description of the Work

The project will be divided into two stages. Stage II will be dependent on the results obtained in Stage I and shall have the prior approval of the Government.

Attached are the following maps:

Figure 1, Location of the property

Figure 2, Claim Map

Figure 3, Plan of proposed trenching.

Stage I

Bulldoze 6 or 7 trenches along and across shear zones, approximately as indicated on Figure 3. This work will amount to about 1,000 feet of trenching. This work shall be done with a D-8 Caterpillar, or equivalent of another make, equipped with a ripper. The trenching should reach bed rock and should average about 8 feet in depth. At points of mineralization in the cross trenches, the area should be opened up with longitudinal trenches. Total time estimated for this work 100 hours.

One engineer-geologist shall survey, sample and prepare maps of trenched area in an estimated 4 days.

One supervisor shall be in direct charge of the work for an estimated 1 month.

Sample and assay mineralized zones for mercury.

STAGE II

The mineralized zones shall be explored at depth with a maximum of 1,000 feet of wagon drill holes.

These holes shall be drilled to a maximum depth of approximately 60 feet. It is estimated that this work will require about 17 holes, sites for this work to be prepared with TD-9 bulldozer. The Operator owns the equipment for this work and work shall be done on a unit cost basis.

Holes shall be sampled at 5 foot intervals and assayed for mercury.

One engineer-geologist shall survey and map location points of drill holes and also check the sampling, in an estimated 4 days. One supervisor, 1 month.

ESTIMATED COST OF THE PROJECT

Fixed Unit Costs

STAGE I

Bulldozer trenching, 100 hours at $18.00/hr.	$1,800.00	
Transportation of equipment from and to Boise, Idaho	280.00	
Estimated total for contract trenching		$2,080.00
Engineer-Geologist, 4 days at $75.00/day	$ 300.00	
Transportation and expenses	40.00	
Total		340.00
Supervisor, 1 month		600.00
Insurance, etc.		90.00
Assaying 40 samples at $2.00 each	80.00	
Sacks, transportation samples, etc., at 50 cents each	20.00	100.00
Estimated cost of Stage I		$3,210.00

STAGE II

Bulldozing 17 drill sites with TD-9 dozer at $8.00 each		$ 136.00
Wagon drill 1,000 feet of hole at $2.00/ft.		2,000.00
Engineer-Geologist, 4 days at $75.00 each	$300.00	
Transportation and expenses	40.00	
Total		340.00
Supervisor, 1 month	600.00	
Insurance, etc.	90.00	
Total		690.00
Assaying 200 samples at $2.00 each	400.00	
Sacks, transportation samples, etc. 50 cents each	100.00	
Total		500.00
Estimated cost of Stage II		$3,666.00
Total estimated cost of project	$6,876.00	
Government participation, 50%	$3,438.00	

EXPLORATION PROJECT CONTRACT
MAC D. MINING CORPORATION
DOCKET NO. DMEA 4892

ANNEX NO. 1

The land referred to in Article 2 of the contract form is outlined in green on the attached Figure 2, and consists of 7 unpatented lode mining claims situated in sections 1 and 12, T. 2 N., R. 5 W., Boise Meridian, Owyhee County, Idaho, as follows:

Claim Name	Book No.	Page No.
Lucky Boy No. 1	25	41
Lucky Boy No. 2	25	43
Lucky Boy No. 3	25	45
Lucky Boy No. 4	25	47
Lucky Boy No. 5	25	81
Lucky Boy No. 6	25	113
Red Streak No. 1	25	65

The property is owned by Mr. and Mrs. Thomas P. Booth, and Mr. and Mrs. Ernest Booth, RFD, Homedale, Idaho, and a lease was issued in 1957, to W. R. McDowell. This lease shall be assigned to the Mac D.Mining Corporation. Consent to Lien and Subordination Agreements shall be signed by the owners.

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
		Idm–E		
1892	Mercury		Custer	Idaho

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and .....Mac D. Mining Corporation, 2434 Goodman Street, Boise, Idaho.....

whose mailing address is .....

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within .....4..... months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $....6,876.00..... The Government will contribute ..... percent of the fixed unit cost of the work performed, not exceeding $....3,438.00....., in accordance with the provisions of Articles 4 and 5.

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

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

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: ....Consent to Lien and Subordination Agreement of Lessors.....

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

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

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

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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.....

.....

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.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

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

DMEA
RECEIVED APR 2 1958
WSM 466

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

April 1, 1958

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team examination report, Docket No. DMEA 4892 (mercury), Mac D. Mining Company, Sunset, Vermillion and Lucky Boy Claims, Owyhee County, Idaho, $5,851.60

The Field Team has recommended a modified program to explore the Lucky Boy Nos. 2 and 3 claims in two stages: Stage I will consist of 100 hours of surface trenching estimated to cost $2,845.60; Stage II, which will be dependent upon the results of Stage I, will consist of 1,000 feet of wagon drilling at an estimated cost of $3,006.00.

Examination of the property indicated that the mercury mineralization was low grade but sufficiently extensive to warrant a modest exploration program.

I concur with the recommendation of the Field Team that the modified program to explore the Lucky Boy Nos. 2 and 3 claims be approved.

J. W. Pennington

Copy to - Division of Minerals
Branch of Base Metals
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

Com
Martin

Wright

March 31, 1958

WSM

Mr. George A. McDowell
Inspector of Mines
Boise, Idaho

Dear George:

I was interested to see your letter of March 25, and to learn that your father and brother are prospecting a mercury property near Murphy, Idaho. I saw their original application and also the Field Team report which was delivered to BMEA sometime ago.

I am sorry that I cannot tell you when you may expect action on the application. As you no doubt know, these applications have to clear several reviewers before they are either denied or approved, and it is impossible to give any exact time needed for this procedure. I know, however, you will be informed as quickly as possible as to BMEA action on the application. If it results in a contract, I am sure you will get the contract in time to begin the work early in the coming work season.

Sincerely,

Thor H. Kiilsgaard
Staff Assistant for BMEA

cc: BMEA (2)
A. E. Weissenborn
Director's reading
Branch reading
Chron. file
Tax Payer File
THKiilsgaard/mm
6-MD-3-31-58

THE STATE OF IDAHO

GEO. A. McDOWELL
INSPECTOR OF MINES
BOISE, IDAHO

March 2[illegible], 1[illegible]

Mr. Ivor H. Killsgaard
Staff Assistant for DMWA
U.S. Bureau of Mines and Geology
Washington 25, D.C.

Re: Docket No. [illegible]
Mac D Mining Company
Owyhee [illegible]

Dear Ivor:

My father W. A. McDowell, and brother [illegible] have a mercury property near Marsing, [illegible]. They [illegible] would help them out in applying for a DMWA loan.

We have got up the development of this property [illegible] under I submitted to Spokane on January 28, 1[illegible]. [illegible] we received were [illegible] application has been forwarded to Washington.

If possible, I would like to have some idea of when we may expect approval of this loan so that we [illegible] to commence development work on the property [illegible].

[illegible]

[illegible]

J.McD:lh

IN REPLY REFER TO:

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DATE	INITIALS	CODE
4/1	C	220
/	WSM	400

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

March 28, 1958
Re: DMEA 4892
Mac D. Mining Company
Sunset, Vermillion & Lucky Boy Claims
Owyhee County, Idaho
Applicant's Estimate $10,000.00
Recommended Estimate $ 5,851.60 - Mercury

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring, by trenching (dozer) and drilling, a large virgin area underlain by shale and sandstone laced by narrow veins of mercury-bearing opalite.

The examiners found the cinnabar occurs in trace to better amounts in opalized and jasperized breccia dikes that cut rhyolite, volcanic ash beds and tuffs in an area nearly a mile long and 1,000 feet wide. Because of inadequate exposures, the structural control and attitude of the breccia zones cannot be determined. In order to obtain trenches to solid formation, the examiners recommend a work program consisting of 100 hours of bulldozer trenching to be followed, if warranted, by 1,000 feet of wagon drilling.

The sampling results fail to sustain the recommendation as only one 1-foot cut sample, 15B, shows ore grade material. Two samples of hand-picked and sorted material represent high grade ore. Seven cut samples, ranging in width from 0.5 to 2.5 feet, gave a high of 3 pounds per ton.

Because the prospect is a new discovery, I concur with the recommendation of the examiners and Field Team.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

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DATE	INITIALS	CODE
3/24	C	220
3/28	JB	130
3/28	C	220
	WSM	4cc

March 19, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D.C.

Re: Docket No. DMEA-4892 (Mercury)
Mac D. Mining Company
Sunset, Vermillion & Lucky Boy Claims
Owyhee County, Idaho

Dear Mr. Selfridge:

Enclosed are three copies of a memorandum report of examination of the referenced property by Galen G. Waddell, Mining Engineer, U. S. Bureau of Mines, and Howard F. Albee, Geologist, U. S. Geological Survey.

Cinnabar is found in opalized and jasperized breccia dikes that cut rhyolite, volcanic ash beds, and tuffs in an area nearly a mile long and 1,000 feet wide. The 0.6 lbs. mercury per ton reported by Union Assay for sample 15B was believed by the examiners to be too low; consequently, checks were made by two other laboratories. Due to a variation in the assays the examiners cite the results from all three laboratories where the determinations were made.

The existing trenches and road cuts offer poor exposures and the true character of the mercury-bearing zones is difficult to determine. Because of the persistent showings of mercury along the structures, Waddell and Albee conclude that a limited program is warranted. They recommend a two-stage program, Stage I to comprise bulldozer trenching. Stage II, dependent upon the results of Stage I, will consist of wagon drilling. They estimate that the total cost of the two-stage program will be $5,851.60, of which the Government's share will be 50 percent or $2,925.80.

The conflicting statements regarding land ownership to which you refer in your letter of December 18, 1957, are partially clarified in the examiners' report under "Property." As the only claims that will benefit by the recommended program are Lucky Boy Nos. 2 and 3,

Reviewed by
DMEA OPERATING COMMITTEE
3-28-58
(date)

the examiners accepted the applicant's statement that he controlled the claims listed in the report.

In a lease dated September 13, 1957 and in Mr. MacDowell's letters of December 10, 1957 to the Executive Officer and January 29, 1958 to Galen Waddell, "Sunset" as one word and "Lucky Boy" appear to be the correct names.

We concur with the recommendations of the examiners.

By Field Team, Region I

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USGS (SRO)
Albee

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3/28	JHB	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

March 12, 1958

MEMORANDUM

To: DMEA Field Team, Region I

From: Galen G. Waddell, Mining Engineer, U. S. Bureau of Mines, and Howard F. Albee, Geologist, U. S. Geological Survey

Subject: Field Examination Report, Docket No. DMEA-4892 (Mercury) Mac D. Mining Company, Sunset, Vermillion and Lucky Boy Group of Claims, Owyhee County, Idaho

INTRODUCTION

D.C. Spokane Nov 29, 1957

The Mac D. Mining Company's application for DMEA assistance to explore for mercury in Owyhee County, Idaho at a cost of $10,000 was received on December 6, 1957. A revised two-stage proposal estimated to cost $22,699.00 was received on January 30, 1958. Mr. W. R. McDowell, 2414 Woodlawn, Boise, Idaho, is the lessee of the claim groups and president of the company. His son, C. W. McDowell, 1611 N. 19th Street, Boise, Idaho, is the general manager.

ON SITE EXAM

The company proposes to explore for mercury on certain unpatented mining claims that lie approximately 8 miles southwest of Homedale, Idaho, near the Idaho-Oregon border. The first proposal called for 4,000 feet of wagon drilling, 1,000 feet of trenching, and some road building. After talking with the DMEA field examiners the applicant agreed to a modification of his revised proposal for a two-stage project. This comprises 5,000 feet of wagon drilling and 200 hours of dozer trenching.

The property was examined by the authors on January 7 and 8, 1958, accompanied part of the time by C. W. McDowell and W. R. McDowell, representing the company, and George A. McDowell, Inspector of Mines for the State of Idaho.

Reviewed by
DMEA OPERATING COMMITTEE
3-28-58
(date)

SUMMARY AND CONCLUSIONS

Cinnabar is found in trace amounts or more over an area nearly a mile long and 1,000 feet wide. The southwestern claims comprising the Sunset group lie on a rhyolite-capped mesa that rises about 500 feet above the northern or Lucky Boy group (fig. 2). The cinnabar on the Sunset claims occurs in jasperized and opalized breccia dikes that cut the rhyolite. On the Lucky Boy claims, cinnabar is found in opalized and jasperized breccia zones in volcanic ash beds and tuffs, and in opalized dikelike breccia zones in the rhyolite. The structural control and attitude of the breccia zones in the tuff and ash beds cannot be definitely determined from the present exposures.

The applicant agrees that the initial exploration work should be confined to the best showings on the Lucky Boy claims. All of the exploration work would fall within the boundaries of the Lucky Boy No. 2 and 3 claims. Because very little is known about the ore control in the deposits a drilling project cannot be laid out until a considerable amount of bulldozing has been done.

The TD-9 dozer used in the past was too light to expose the bedrock adequately. The examiners believe a larger dozer, a D-8 or equivalent, would remove enough of the loosely consolidated material to enable the interpretation of the structure that controls the mercury-bearing deposits. If the results of the trenching are encouraging, then a second stage consisting of wagon drilling to explore the deposits at depth could be undertaken.

RECOMMENDATIONS

The examiners believe that the cinnabar mineralization, though apparently low grade, is sufficiently widespread to justify a modest exploration program.

LOCATION AND ACCESSIBILITY

The claims are in secs. 1 and 12, T. 2 N., R. 6 W., and secs. 6 and 7, T. 2 N., R. 5 W., Boise meridian. The area is 9 miles due west of Marsing, Idaho, and 8 miles southwest of Homedale, Idaho (fig. 1).

To reach the property from Marsing, Idaho, proceed west on State Highway 20 and U. S. Highway 95 for 3.9 miles to the point where U. S. Highway 95 turns northerly; thence continue west on a gravel road 3.1 miles, turn south and travel 1 mile to a farm driveway; turn west going through the farmyard and fields, across the Rosswell irrigation canal, then northwesterly 1.9 miles to the "Y" of the road; follow the left fork for 0.4 mile to a trailer house which is on the Lucky Boy No. 2 claim.

The claims lie along the southwestern edge of the Snake River Plains where the plains merge into an area of lava-capped mesas and steep hills. The climate is semiarid and the main growth is sagebrush and cheatgrass. Although the altitude of the claims ranges from 2,450 feet to 3,000 feet above sea level, all of the proposed work will be at an altitude of about 2,500 feet.

The property is readily accessible all year round as it is only 2 miles from the county road. However, for short periods of time in the spring, the last 2 miles of road are sometimes too muddy for conventional passenger cars.

There is adequate manpower available locally and a rail heading at Marsing, Idaho. Heavy equipment and mining supplies are available at Boise, Idaho, which is 45 miles away.

PROPERTY

Twenty-three claims recorded at the Owyhee County Courthouse, Murphy, Idaho, have been listed in this DMEA application. They are as follows:

Property staked by Mr. and Mrs. Thomas P. Booth and Mr. and Mrs. Ernest Booth, RFD, Homedale, Idaho and leased to W. R. McDowell.

Sunset No.	1	Book 25	Page 49
	2	25	51
	3	25	53
	4	25	55
	5*	25	115
	6*	25	117
	7*	25	119
	8*	25	121
Lucky Boy No.	1 ✓	25	41
	2 ✓	25	43
	3 ✓	25	45
	4 ✓	25	47
	5 ✓	25	81
	6 ✓	25	113
	7	--	--
	8	--	--

*Copy of lease has not been received.

Property staked by Mr. and Mrs. Eligan Elmer Pierce and leased by W. R. McDowell (also referred to as E. P. claims).

Red Steak No. 1	Book 25	Page 65
2	25	67

Property staked by the company.

Vermillion No. 1	25	97
2	25	99
3	25	101
4	25	103
5	25	105

The claims directly benefited by the recommended program are Lucky Boy No. 2 and Lucky Boy No. 3. It is recommended that only those two claims be included in the contract.

HISTORY OF PROPERTY AND DEVELOPMENT

There is no record of any mining in the Homedale area. The nearest mining district is Silver City, Idaho, 50 miles south, which is a ghost town now but was the first active mining district in Idaho. The only mining operations in the Silver City district now are some small mercury mines near Reynolds. About 50 miles north of Homedale at Weiser, Idaho, the Rare Metals Corporation of America operates the largest mercury mine in Idaho.

The Booth brothers staked the first claims in 1956 and added others in 1957. All of their discovery holes were hand-dug trenches, some being 8 feet deep. The Mac D. Mining Company leased the claims in 1957 and dozed about 2 miles of road and nearly 1,500 feet of shallow trenches. The only equipment on the property is a 20-foot house trailer and a 1952 International TD-9 dozer.

GEOLOGY AND ORE DEPOSITS

The property lies at the southwestern edge of the Snake River Plains near the Idaho-Oregon boundary. Rhyolite and basalt-capped mesas and rugged hills lie to the west and south. The lavas dip gently toward the Snake River Plains and are overlain by the lake beds of the Idaho series.

Interbedded with and underlying the rhyolite flows are the ash, tuff, sandstone, shale beds that make up the lake beds of the Payette formation. Rocks underlying the applicant's claims are rhyolite and the underlying interbedded tuff and tuffaceous sandstone and shale beds.

No faults were seen but as tuffaceous sandstone beds are exposed southwest of the proposed exploration area that dip 30° east to nearly vertically, faulting may be inferred.

Mercury-bearing material on the claims is found associated with at least two types of structures. The Sunset claims lie largely on a rhyolite-capped mesa where part of the known occurrences of mercury are in vertical breccia dikes that strike N. 10°-25° W. The dikes, which are from a few inches to 2 feet wide, are exposed in a cliff through a vertical distance of about 30 feet and can be traced on strike for about 50 feet. The dike rock consists of fragments and blocks of foreign material mixed with rocks similar to the rhyolite wallrock in an aphanitic matrix. Stringers and pods of mercury-bearing opal and jasper are erratically distributed through the dikes.

On the Lucky Boy claims the known occurrences of mercury are in breccia zones. The attitude of the breccia zones cannot be definitely determined, but from indications at some of the shallow exposures the shape of the zones may be reeflike.

The only outcrops in the area of proposed exploration (fig. 2) are of flow rocks. The soft, interbedded tuffs and tuffaceous sediments form gentle slopes and relatively flat-lying soil-covered areas in which the only exposures are in the shallow cuts and roads shown on plate 1. The mercury-bearing material seen in this area is mostly confined to breccia zones in tuffs and tuffaceous sediments.

The tuffs are strongly kaolinized throughout the area, probably by ground water, and innumerable randomly striking and dipping fractures cut the altered material. In places the fractures have carried ascending iron- and silica-rich solutions. At these places opal and jasper occur abundantly along the fractures and commonly thicken to kidneys a foot or more wide. Mercury is associated with much of the opal and jasper and was probably introduced with these minerals. The mercury generally appears most abundant where the opal and/or jasper is associated with the iron-rich breccia zones.

As the bulldozer cuts are shallow, and the breccia zones are exposed mostly in one plane, the attitude of the zones could be only tentatively determined. The best exposure is at cut E (pl. 1). This breccia zone appears to be a 20-foot wide reeflike structure with the upper surface dipping gently away from the center. No structural walls or controls were seen to indicate why the lateral continuity of the breccia zone was stopped. The apparent strike of the long axis is about S. 55° E. This bearing is supported by the exposure of mercury in iron- and silica-rich material in cut F.

The exposure on the road cut north of cut A shows an iron-rich breccia zone similar in appearance to the one at cut E. The structure in the pits at cuts A and B differ from the structures in the other exposures shown on plate 1 in that the mercury is in jasper and opal which is in material that fills a 10-inch wide space between walls of flow rock. The structure near cut A strikes southwesterly toward the iron-rich breccia zones near station 6 and cuts C and D, but it may turn and strike southerly as indicated in cut B. The major breccia zone as exposed north of cut A, however, is inferred to strike southwesterly on the basis of the exposures along the line toward cut D.

The mercury-bearing breccia zones between station 12 and the discovery post of Lucky Boy No. 2 and in cut G about 1,000 feet to the south are exposed in the surface of the roadlike cuts and no attitude could be determined for them. Cuts D and J and the discovery cut of Lucky Boy No. 2 were dug by hand prior to the bulldozer work and the advantage of the exposures could not be utilized to locate them at the best apparent structures.

The following samples were taken during the examination:

Sample No. GGW-	Location	Description	Width	Hg (lbs./ton) USBM	Union	Deason & Nichols
10B	Sunset #2	Channel	1.0'	1.6	0.4	1.0
11B	Sunset #3	Hand-picked visible Hg	1' zone	13.8	8.2	10.0
12B	Sunset #1	Dark opal on dump	--	0.8	0.2	nil
13B	*L.B. #2	Sta. 4-20'; channel	2.5'	1.6	nil	nil
14B	L.B. #2	Sta. 4-15'; channel	2.5'	1.8	nil	nil
15B	L.B. #2	Cut A, W end; channel	1.0'	16.4	0.6	9.0
16B	L.B. #2	Cut A, 400 lb. stockpile	--	24.8	16.4	13.0
19B	L.B. #2	Cut A; channel of ore structure	0.9'	2.0	3.0	3.0
17B	L.B. #2	Cut B; channel	0.5'	1.8	0.2	nil
18B	L.B. #2	Cut E; channels	--	2.2	0.9	3.0

*Lucky Boy

THE APPLICANT

The Mac D. Mining Company is incorporated in the State of Idaho and has been placer mining in the Bear Valley area. C. W. McDowell, the general manager of the company, has had 20 years in the mining field and should be capable of carrying out the proposed exploration work. The company plans to obtain the services of William Harris of Boise, Idaho, to do its consulting geological work.

APPLICANT'S PROPOSAL AND DISCUSSION

The applicant's first proposal was as follows:

Wagon drilling, 2½" holes	4,000 feet	est.	$3,000.00
Dozer trenches with TD-9	1,000 feet and		
Dozer road	1-3/4 mile		2,000.00
Expenses and repairs			1,000.00
Engineering			1,000.00
Labor			3,000.00

This program was estimated to take 3½ months to complete.

On January 28, 1958, the applicant submitted a revised proposal as follows:

100 hrs. trenching with D-8 bulldozer with ripper or equivalent, with operator @ $20.00 per hr.	$2,000.00
Transportation of equipment to property and return	232.00
1,000 feet of wagon drilling @ $2.00 per ft.	2,000.00
Surveying, mapping, etc.	500.00
Supervisor, 1 month @ $600 per mo.	600.00
Labor, 2 men @ $2.00 per hr. for one month	960.00
Drilling and blasting cost, with jackhammer and supplies	100.00
500 sample sacks, 7 x 14	65.00
200 assays for mercury @ $3.00 per sample	600.00
Miscellaneous material, supplies, etc.	150.00
Total - Stage I	$7,207.00

Stage II

100 hrs. trenching with D-8 bulldozer with ripper or equivalent, with operator, @ $20.00 per hr.	$2,000.00
4,000 ft. wagon drilling @ $2.00 per ft.	8,000.00
Transportation of bulldozer to property	232.00
Use of TD-9 caterpillar with dozer for preparing drill sites @ $8.50 per hr. Approx. 2 hrs. per site	1,000.00
Supervisor, 1 month @ $600 per mo.	600.00
Labor, 2 men @ $2.00 per hr. for one month	960.00
800 assay samples @ $3.00 per sample	2,400.00
Misc. material, supplies, etc.	300.00
Total - Stage II	$15,492.00
Total - Stages I and II	$22,699.00

The revised proposal is estimated to take two months to complete.

When the applicants were interviewed on the property it was found that they had no definite plan as to the possible location of the drill holes but thought they might start by drilling, blasting and dozing at pit E (pl. 1). They admitted that their TD-9 dozer was too small for the work and that a D-8 cat or equivalent with a ripper could do more at a lower cost than their TD-9 dozer assisted by blasting. They were willing to contribute their share in hiring a larger dozer for the trenching.

The road proposed by the applicant was for a more direct route from the property to the county road. This convenience is not necessary, however, for the proposed exploration work.

RECOMMENDED EXPLORATION PROGRAM

The attitude of the deposits and their controlling structures are not distinctly exposed by the work performed thus far; therefore, the field examiners recommend that 6 dozer

trenches be cut in a manner that will expose the mercury deposits in the areas that now appear to be the most promising (pl. 1). To do this an estimated 1,000 linear feet of trenches excavated to solid rock and averaging 8 feet deep are proposed. This work is estimated to require 75 hours using a D-8 cat or equivalent with a ripper. Another 25 hours should be allowed to trace any mineralized structures found in these trenches. All of the exposed mineralized structures should be mapped and sampled. To do this a geologist or engineer will be required.

Stage II should be started to explore the mineralized zones at depth if warranted by the results of Stage I exploration work. Wagon drilling as the applicant proposed is recommended for this purpose. Because of the blocky and easily fractured nature of the opalite in which the cinnabar occurs, it would be difficult to core, and percussion drilling should produce satisfactory results for holes up to 60 feet deep. All of the drill cuttings should be saved, in 5-foot intervals, and assayed for mercury.

This second stage will require about 17 holes averaging 59 feet deep, making a total of 1,000 feet of drilling. Deeper holes could be used if a satisfactory sample of the cuttings can be saved.

Three bids were submitted to the applicant for the bulldozing work. Two were for the use of D-8 cats with rippers and the other was for a D-7 cat with ripper. The applicant states that he does not believe the D-7 will do a satisfactory job.

ESTIMATED COSTS OF PROJECT

Stage I

1. Independent contracts		
Trenching with a D-8 cat or equivalent with ripper - 100 hours @ $18.00/hr.	$1,800.00	
Transportation of equipment to property and return to Boise	280.00	
		$2,080.00
2. Labor, supervision, consultants		
Supervisor - 3/4 mo. @ $600/mo.	~~450.00~~ 600.00	
Consultant engineer or geologist - 2 days @ $75.00/day	150.00	
		~~600.00~~ 750.00
3. Operating materials and supplies		
20 sample sacks @ $0.13/ea.	2.60	
Supervisor's gasoline - 30 gal. @ $0.35/gal	10.50	
		13.10
4. Operating equipment		
1 pickup truck - value $1800 - monthly deprec. $30 - for 3/4 mo.		22.50
5. Initial rehabilitation		none
6. New buildings		none
7. Miscellaneous		
Unemploy. comp., Indust. insur., etc. 14.9% of payroll ~~($450)~~ 600	~~67.05~~ 90.00	
Assays for Hg - ~~20~~ 20 @ $3.00/ea.	~~60.00~~ 150.00	
Freight for 20 samples @ $0.15/ea.	3.00	140.00
		~~130.05~~
8. Contingencies		none
Total cost - Stage I		$2,845.65

SUMMARY OF STAGE I COSTS

Transportation of dozer		$ 280.00
Bulldozing	100 hrs. @ $18.00/hr.	1,800.00
Consulting geologist or engineer	~~2~~ 4 days @ 75.00/day	~~150.00~~ 300.00
~~20~~ 24 assays for mercury	@ ~~3.28~~ 3.25/ea.	~~65.60~~ 78.00
All other costs 1/		550.05
Total		$2,845.65

1/ Prorated as incidental allowance of $5.50 per hour of bulldozer time.

Stage II

(General overhead costs)

1. Independent contracts		
Prepare ~~17~~ 16 drill sites using a TD-9 dozer, 1 hour each, @ $8.50/hr. or per site		~~$ 144.50~~ 136.00
1000 ft. drilling at $2.00/ft		
2. Supervision, labor, consultants		2,000.00
1 supervisor-sampler - 3/4 mo. @ $600.00/mo.	~~$450.00~~ 600.00	
1 consultant mining engineer or geologist - 2 days @ $75.00/day	~~150.00~~ 300.00	
		~~600.00~~ 900.00
3. Operating materials and supplies		
200 sample sacks @ $0.13/ea.	26.00	
Supervisor's gasoline - 40 gal. @ $0.35/gal.	14.00	
		40.00
4. Operating equipment		
1 pickup truck - value $1800 - monthly deprec. - $30 - 3/4 mo.		22.50
5. Initial rehabilitation		none
6. New buildings		none
7. Miscellaneous		
Unemploy. comp., Indust. insur., etc. 14.9% of payroll ($450)	67.05	
Assays for Hg - 200 @ $3.00/ea.	600.00	
Freight for samples @ 0.15/ea.	30.00	
		697.05
Total cost		$1,504.05

Wagon Drilling - 1000 feet

(Direct Costs)

1. Independent contracts — none

2. Supervision, labor, consultants

1 driller - ~~15~~ 20 days @ $18.00/day	~~$270.00~~ 360.00	
1 drill helper and sampler - ~~15~~ 20 days @ 16.00/day	320.00 ~~240.00~~ 640.00	
Supervision	600.00	~~$510.00~~
Eng. - Geology 4 day at 75.00		300
		1,580.00

3. Operating materials and supplies

Diesel fuel - 15 gal/day x ~~15~~ 20 x $0.19/gal	42.75	57.00
Gasoline fuel for pump and truck - 150 gal. @ $0.35/gal.	52.50	65.00
Oil and grease - 10% of fuel	9.52	11.00
Maintenance on used compressor is equal to fuel cost	42.75	45.00
Maintenance on wagon drill	30.00	30.00
1¼-in. air hose - 50 ft.	62.90	63.00
Water hose - 50 ft.	28.80	29.00
1¼-in. drill steel - 10 @ $25/ea.	250.00	250.00
Drill steel sleeves - 10 @ $8/ea.	80.00	80.00
2½-in. carbide insert bits - 3 @ $28.34/ea	85.00	85.00
3-in. carbide insert bits - 1 @ 35.00/ea	35.00	35.00
3-in. pipe for casing hole collars - 40' @ 0.92/ft	36.80	37.00
3-in. T for sample collecting 2 @ 1.60/ea	3.20	3.00
		~~780.00~~ 759.22

4. Operating equipment

	Value	Mo. deprec.		
420 cu. ft. compressor	$6,000	$100.00		
D-14 Cleveland wagon drill	750	12.50		
2-in. gas driven water pump	125	2.08		
1½-ton truck	2400	40.00		
~~3/4~~ 1-month @		154.58/mo	~~115.94~~	155.00

Rentals

500 gal. water tank	35.00

5. Initial rehabilitation — none

6. New buildings — none

7. Miscellaneous

Unemploy. comp., Indust. insur., etc.
14.9% of payroll ($510)

Eng hourly 1,280.00
Assays 2hr samples 200 ea
Cost per foot - $1.50
Sam hourly samples

200.00
75.99
~~$1,496.15~~
40.00
400.00
100.00

0
240.00
500.00
740.00

1,580.00
780.00
155.00
35.00
740.00
3,290.00

SUMMARY OF STAGE II COSTS

1,000 feet wagon drilling	@ $ 1.50/ft.	$1,500.00
Consulting engineer or geologist 2 days	@ 75.00/day	150.00
200 assays for mercury	@ 3.28/ea.	656.00
All other general overhead costs 2/		698.05
Total		$3,004.05

2/ Prorated as incidental allowance of $0.70 per foot of wagon drilling.

SUMMARY OF ESTIMATED COSTS OF PROJECT

Stage I

Transportation of dozer	(Independent contract)	$ 280.00
Bulldozing - 100 hrs. @ $18.00/hr.	(Independent contract)	1,800.00
Consulting engineer or geologist	2 days @ $75.00/day	150.00
20 assays for mercury	@ 3.28/ea.	65.60
Incidental allowance	$5.50 per dozer hour	550.00
Total		$2,845.60

Stage II

1,000 feet wagon drilling	@ 1.50/ft.	$1,500.00
Consulting engineer or geologist	2 days @ 75.00/day	150.00
200 assays for mercury	@ 3.28/ea.	656.00
Incidental allowance	$0.70 per foot of wagon drill hole	700.00
Total		$3,006.00
Total cost of project		$5,851.60
Government participation @ 50%		$2,925.80

Attachments

Distribution:
DMEA (3)
USBM (5)
USGS(SRO)
Docket
Albee

3/10 C 220
WSM 400

So. 157 Howard Street
Spokane 4, Washington

March 5, 1958

Mr. W. R. McDowell, President
The Mac D Mining Company
2414 Woodlawn
Boise, Idaho

Re: Docket no. DMEA-4892 (Mercury)
Mac D Mining Company
Owyhee County, Idaho

Dear Mr. McDowell:

This is in reply to your letter of February 25, 1958 received on March 4, 1958, in which you ask regarding the status of your application.

We were delayed in reaching an agreement as to what we should recommend in our report due to the absence of one of our field men because of sickness. However, our report is now ready for typing and will be in the mail to Washington by March 7. You should hear in about three weeks.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: DMEA (2) w/2 copies of incoming
USBM (2)
Alvord

mge
al
arbie
USBM
DMEA

The Mac D Mining Company
2414 Woodlawn
Boise, Idaho

February 25, 1958

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892-Mercury
Mac D Mining Company
Owyhee County

Dear Mr. Weissenborn:

On January 28, 1958 I submitted a letter on the description of the work to be performed on the Mac D Mining Company mercury property, located near Marsing, Idaho in Owyhee County.

As of this date we have not received a reply. Please let us know, by return mail, what action has been taken on this request.

Yours very truly,

W. R. McDowell
PRESIDENT

WRMcD:lh
cc: Galen Waddell

RECEIVED
MAR 4 1958
U. S. G. S.
SPOKANE, WASH

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-17	Hopkins	400
12-17	Martin	400
12/18	[illegible]	130
"	Johnson	110
"	Mulfeedy	100
12/19	[illegible]	220
		400

DEC -

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 4892 - Mercury
Mac D. Mining Corporation
Sun Set, Vermillion and Lucky Boy
Groups of claims
Owyhee County, Idaho

Dear Mr. Weissenborn:

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

Copies of memoranda dated December 9 and December 12, 1957, by Mr. N. E. Nelson, Geological Survey, and Mr. J. W. Pennington, Bureau of Mines, respectively, relating to the project are enclosed.

An extra copy of the application is enclosed for use by the Field Team.

The application lists the claims as Sun Set Nos. 1 through 4, Vermillion Nos. 1 through 6, and Luck Boy Nos. 1 through 5. The copy of Mr. George A. McDowell's letter to you of December 10, 1957, received here with your letter of December 11, 1957, lists 4 claims in the Sun Set (spelled as one word) group, five Lucky Boy claims, and Red Streak Nos. 1 and 2; and also speaks of "12 more claims". It will be appreciated if you will clarify the land ownership for us.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

Enclosures

JHOPKINS/dlm 12-17-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-17	Hopkins	400
12-17	Martin	400
12/18	Selfridge	130
12/18	Lamb	130
12/18	Nelson	130
"	Johnson	110
"	Mittendorf	100
		220

DEC 18 1957

Mac D. Mining Corporation
2414 Woodlawn Street
Boise, Idaho

Re: Docket No. DMEA 4892 - Mercury
Sun Set, Vermillion and Lucky Boy
Groups of claims
Owyhee County, Idaho

Gentlemen:

The above-docketed application for exploration assistance for mercury ores has been reviewed by the Washington office of the Defense Minerals Exploration Administration and referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, South 157 Howard Street, Spokane, Washington, for a field examination of the property.

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

JHOPKINS/dlm 12-17-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

Office Copy
DMEA
RECEIVED Dec 16 1957
DATE | INITIALS | CODE
12/16 | C | 220
12/17 | WSay | 400

So. 157 Howard Street
Spokane 4, Washington

December 12, 1957

4892

Mr. Geo. A. McDowell
Inspector of Mines
The State of Idaho
Boise, Idaho

Re: New Application (Mercury)
Mac D. Mining Corporation
Sun Set #1-4, Vermillion 1-6, and
Lucky Boy #1-8 claims
Owyhee County, Idaho

Dear Mr. McDowell:

Thank you for your letter of December 10, 1957. The additional information has been forwarded to our Washington office.

We have made copies of the assay report sufficient for our needs and are returning the originals to you.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: DMEA (2)
USBM (2)
Alvord

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 12 1957

DATE	INITIALS	CODE
12/12	C	220
12/13	WSM	400

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

December 12, 1957

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4892 (mercury), Mac D. Mining Corporation, Sun Set No. 1-4, Vermillion 1-6, and Lucky Boy No. 1-8 Claims, Owyhee County, Idaho. $10,000

The applicant proposes to explore a new discovery of mercury mineralization by drilling and surface work at an estimated total cost of $10,000.

It is recommended that the application be referred to the Field Team for appropriate action.

The application is returned herewith.

J. W. Pennington

Attachment

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE
12/16	C	220
12/16	WSM	400

December 11, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: New Application (Mercury)
Mac D. Mining Company
Sun Set #1-4, Vermillion 1-6, and
Lucky Boy #1-8 claims
Owyhee County, Idaho

Dear Mr. Selfridge:

Enclosed are three copies of a letter dated December 10, 1957 received from George A. McDowell, in which he lists the book and page numbers of the claims listed in his application.

Also enclosed are three copies each of three assays to be included with the application. We are returning the originals to Mr. McDowell.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Alvord

12-16-57
Copies to BM
& B S.
foc.

Index with applications

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 10 1957

DATE	INITIALS	CODE
12/10	gf	220
12/10	WSM	400

IN REPLY REFER TO:

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

December 9, 1957
Re: DMEA 4892
Mac D. Mining Corporation
Sun Set #1-4, etc. claims
Owyhee County, Idaho
$10,000 - Mercury

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring by bulldozing and drilling/large area, underlain by shale and sandstone through which course veins of mercury-bearing opalite.

The discovery is new and is said by the applicant to resemble the deposit being worked by "Rare Metals" near Weiser.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

December 6, 1957

Mac D. Mining Corporation
W. R. McDowell, President
2414 Woodlawn Street
Boise, Idaho

Gentlemen:

Subject: DMEA-4892

Your application for exploration assistance, dated November 27, 1957 submitted to our office at Spokane, Washington has been assigned Docket Number DMEA-4892 and referred to the Iron and Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region I

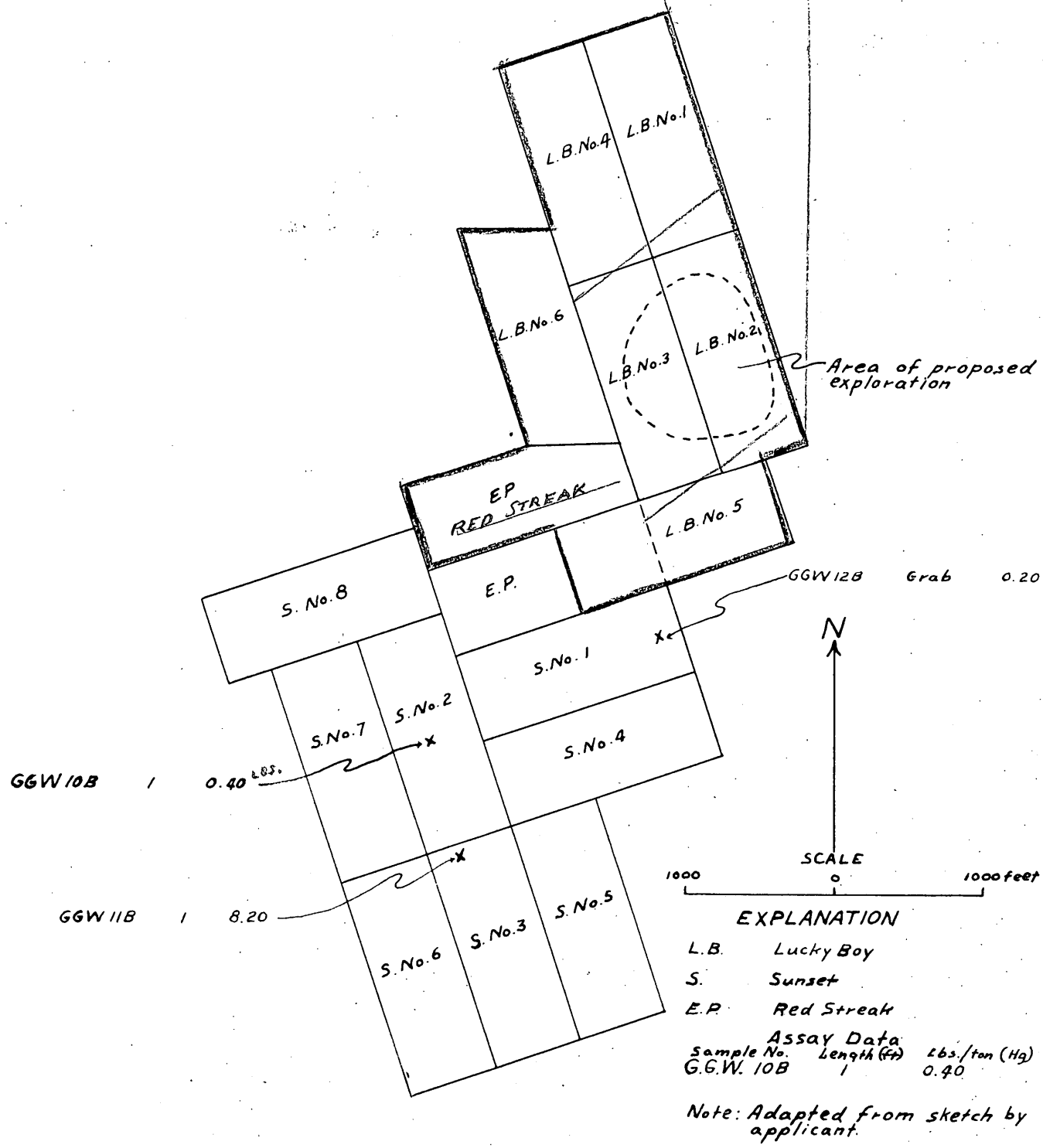
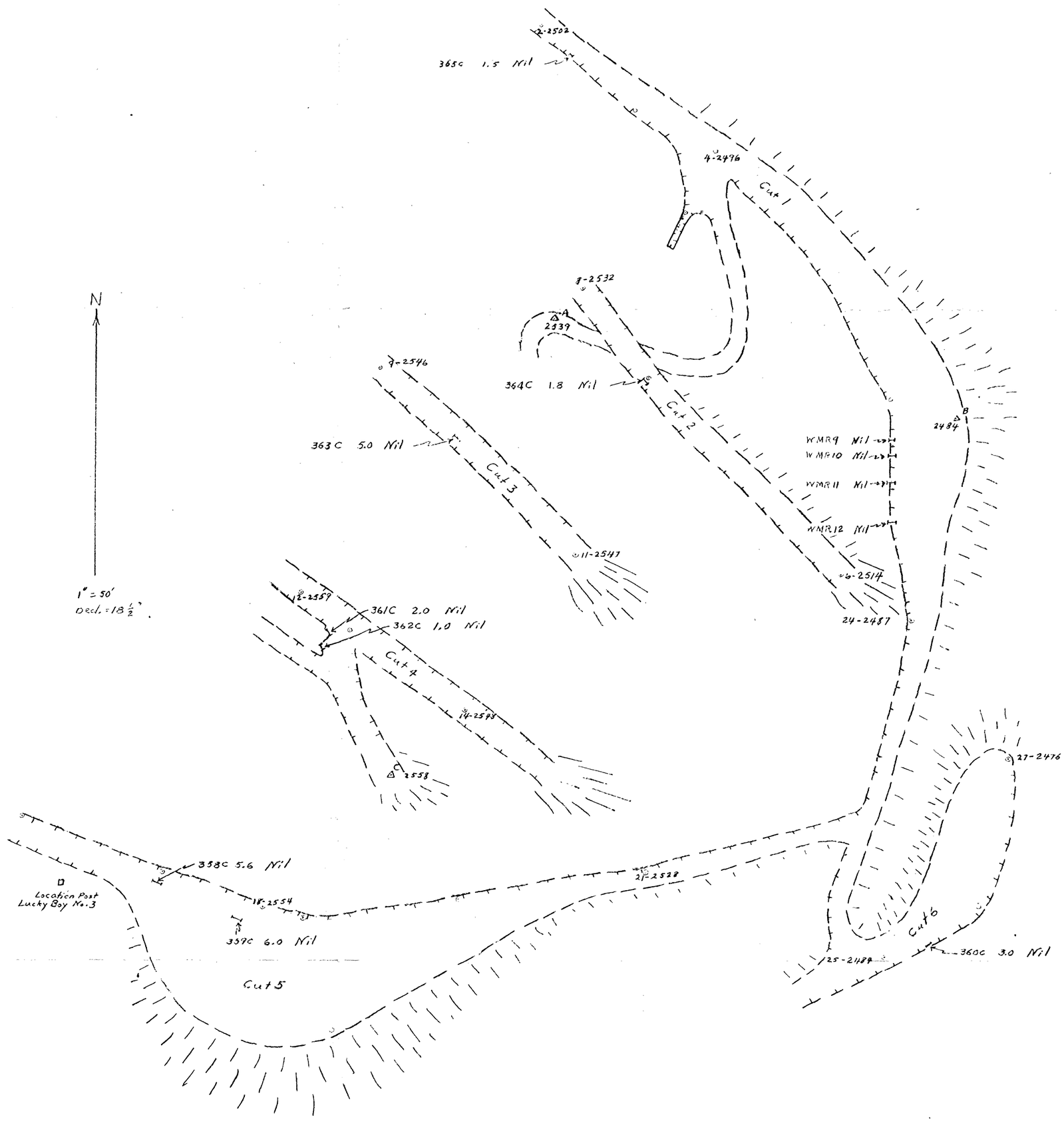


Figure 2. Sketch map of Lucky Boy and Sunset groups showing the area of proposed exploration

OFFIC[illegible]LE COPY
D[illegible] DMEA [illegible]
RECEIVED MAR 24 1958

DATE	[illegible]	CODE

North center end — Lucky Boy No. 2
2500 (Assumed Altitude)



Assay data

Sample No.	Width (ft)	Mercury (lbs/ton)
362C	1.0	

LUCKY BOY Prospect
MacD Mining Corporation
Owyhee County, Idaho

Year, 1959 Plate 1

Stadia Survey by
M.F. Allen & W.C. Prinz

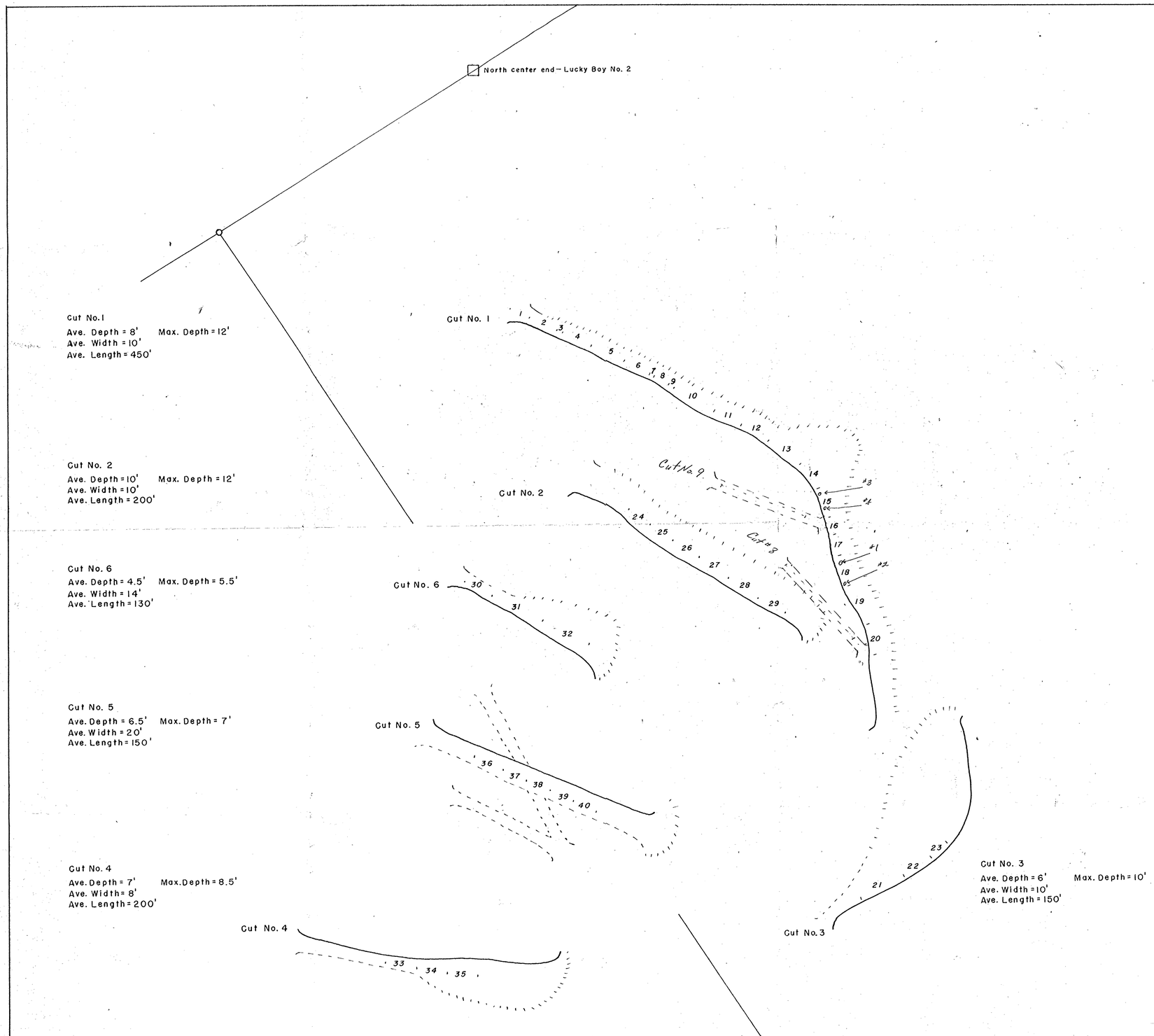
LUCKY BOY PROSPECT

MAC D. MINING CO.

OWYHEE COUNTY, IDAHO

Scale 1" = 50'

22 – Sample Numbers – Samples from trenching dozer cuts.



Certificate of Engineer

I, Bill Harris, do hereby certify that I am duly licensed by the State of Idaho as a Professional Engineer and that this plat was prepared from the field notes of a survey made on the ground by me Nov. 10–Nov. 13, 1958.

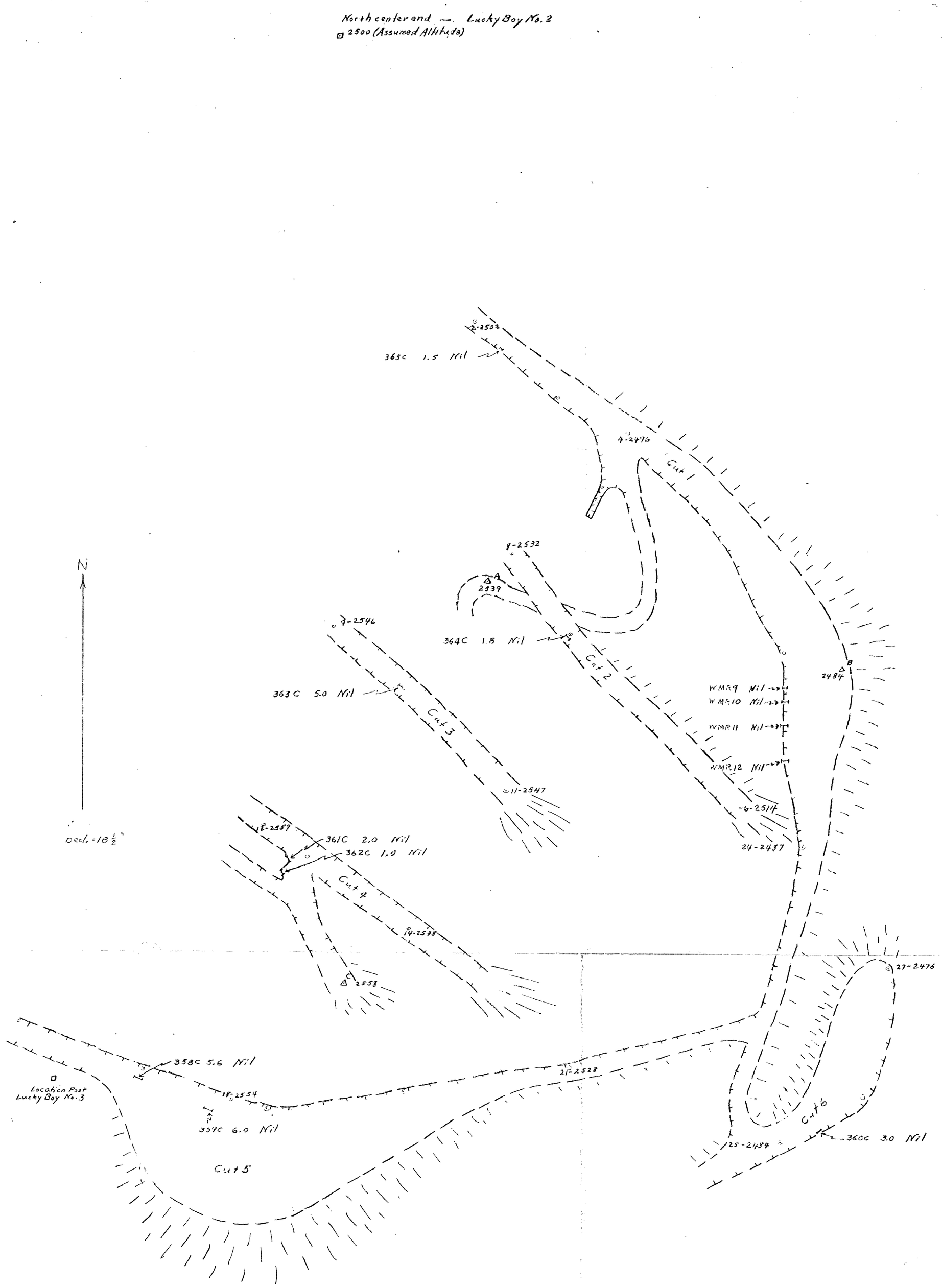
REGISTERED PROFESSIONAL ENGINEER
Bill Harris
753
Nov. 15, 1958
STATE OF IDAHO
BILL HARRIS

Bill Harris
3008 State Street
Boise, Idaho
November 14, 1958

United States
Department of the Interior

Prepared for
Office of Minerals Exploration
Final Report

Docket No. DMEA-4892



Assay data

Sample No.	Width (ft)	Mercury (lbs/ton)
362C	1.0	

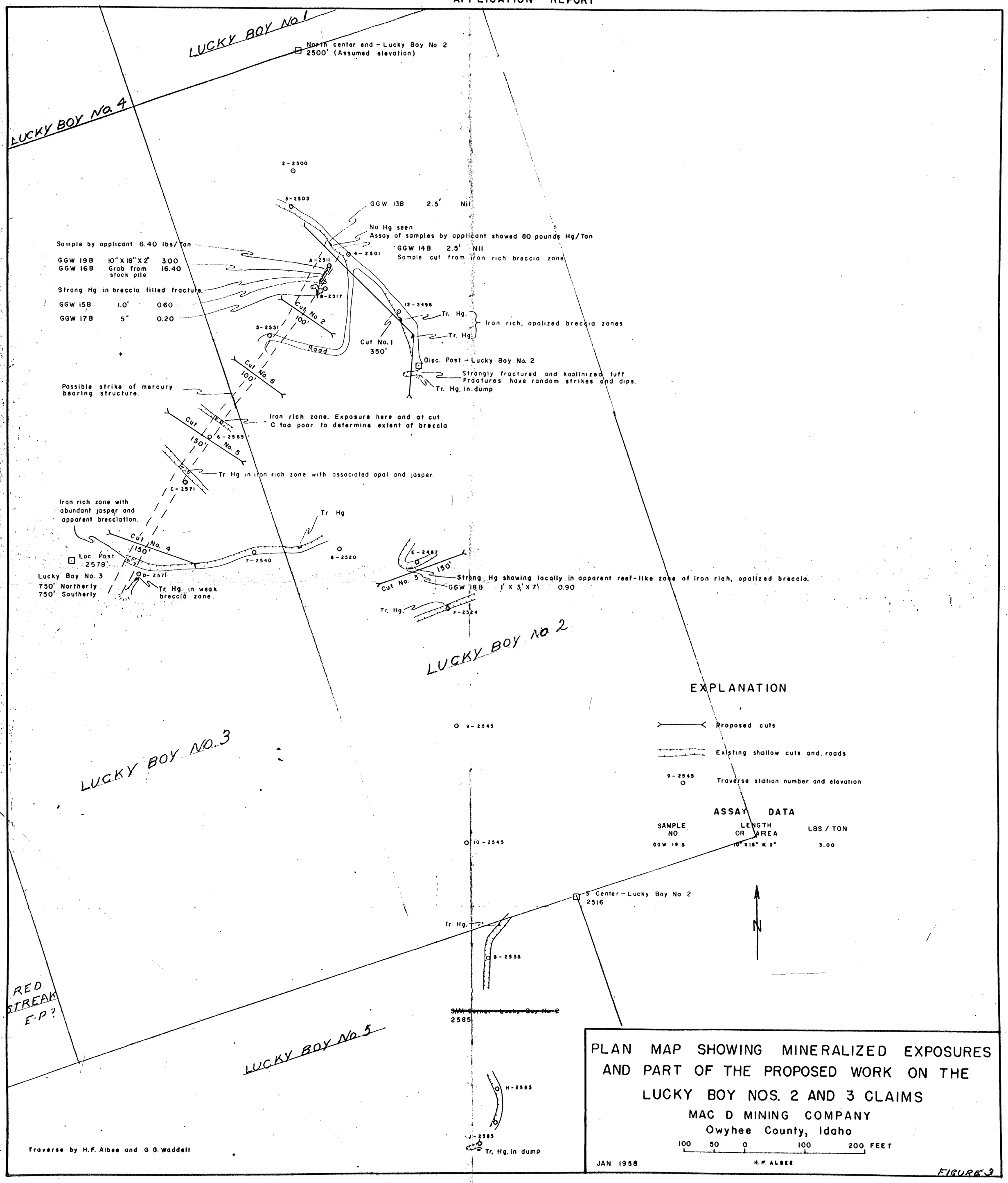
Scale

50 0 50 100 Feet

LUCKY BOY Prospect
MacD Mining Corporation
Oneida County, Idaho

Mar. 1959 Plotted

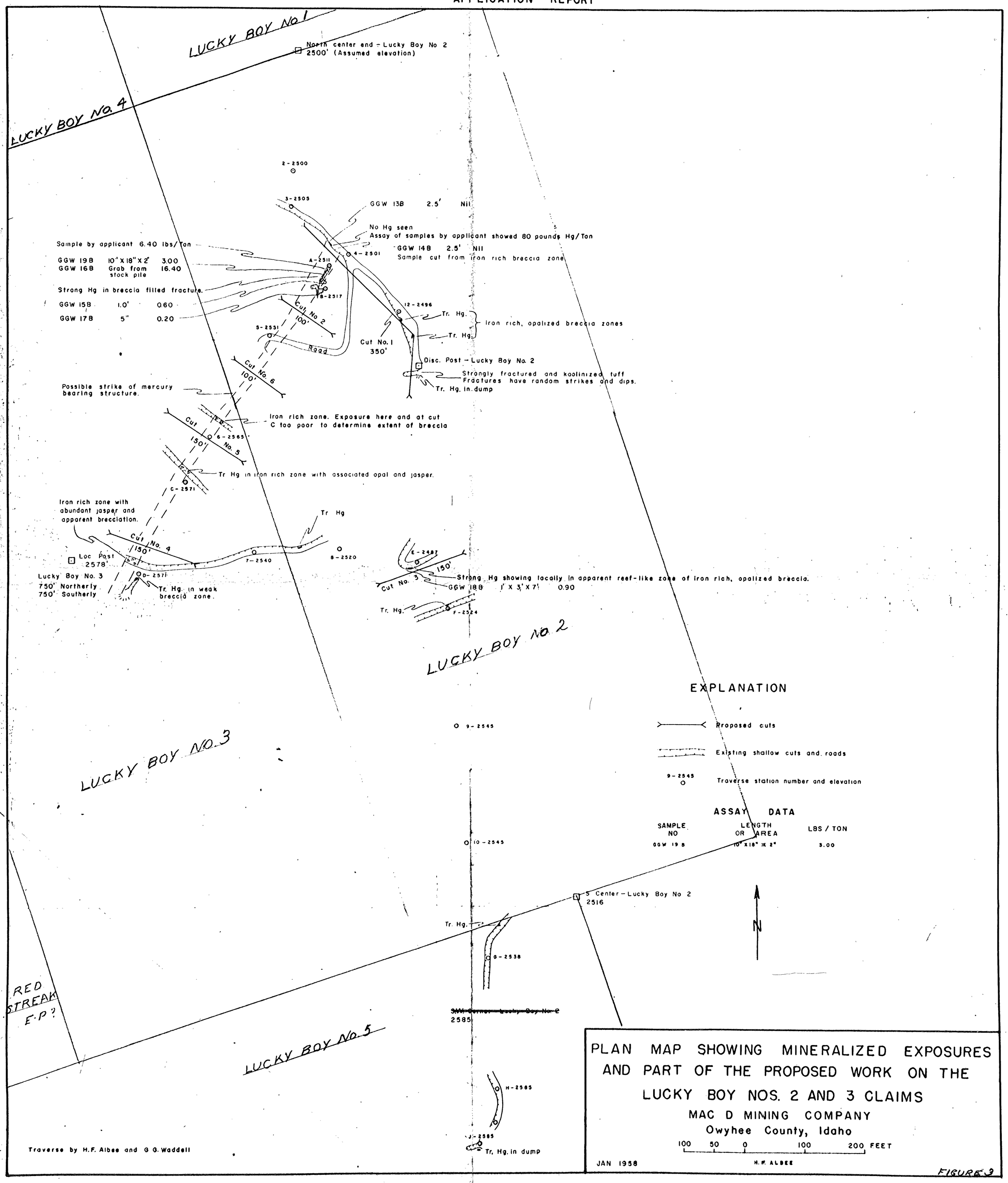
Stadia Survey by
H.E. Alt & W.G. Prince



PLAN MAP SHOWING MINERALIZED EXPOSURES AND PART OF THE PROPOSED WORK ON THE LUCKY BOY NOS. 2 AND 3 CLAIMS

MAC D MINING COMPANY

Owyhee County, Idaho



PLAN MAP SHOWING MINERALIZED EXPOSURES AND PART OF THE PROPOSED WORK ON THE LUCKY BOY NOS. 2 AND 3 CLAIMS

MAC D MINING COMPANY

Owyhee County, Idaho