MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE Contract No. 14-23-_____ Docket No. MME- 6133

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- [ ] Withdrawn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
- [X] Closing Letter
- [X] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [X] Contract with all exhibits and annexes 12-22-61
- [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 Semiannual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [X] Operator's monthly reports and all attachments
- [X] On-site Exam. Report (Tab) 10-17-61
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		~~500~~
	Burwell	500
4/10	Talbut	800
	Selbridge	120
4/10	[illegible]	110
"	[illegible]	100
		220

APR 13 1964

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: GMS-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group of Claims
Valley County, Idaho
Contract 2134

Dear Mr. Baugh:

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 possible production 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 contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

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

Sincerely yours,

George Fumich, Jr.

Acting Director

MMerrithew/mm
4/11/64
cc: Robert Warberg, 438 AlturasDrive, Twin Falls, Idaho
George Warberg, 604 Main Street, Twin Falls, Idaho
Director's Reading File
Region I
CA&A Division
Docket
Code 500

23263

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

pertaining to Exploration Contract 14-23-090-2134, OME No. 6133, for July, August, and September 1962, covering a mercury project on the Fern Cinnabar Group of claims (Serrano Mercury Mine), Valley County, Idaho.

My review included an examination of the Monthly Voucher (OME Form 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to 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 in the attached schedule.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$16,703.27
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Acceptable cost		$16,703.27

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$ 8,351.63
Paid to date	-0-
Balance due Operator	$ 8,351.63

E. D. Talbert

E. D. Talbert, OME Auditor

May 17, 1963

14-23-090-2134 T. R. Baugh OMR-6133

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

(a) a major portion ($15,256.70) of the acceptable costs covered work performed at unit rates under independent contract;
(b) the Monthly Reports were supported by documentary evidence of the acceptable actual costs under the contract; and
(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible exceptions.

Acceptable cost:

Cat. (1)	Bulldozing, TD-18A	26 hrs.	@ $15.00	$ 390.00
	Diamond drilling - NC core	98 ft.	@ $ 8.75	857.50*
	NX core	1402 ft.	@ 8.75	12,267.50*
	Reaming and casing	241 ft.	@ 3.70	891.70*
	Transportation of drill and equipment			850.00*
Cat. (2)	Engineer-supervisor	53 days	@ $20.69	1,096.57
Cat. (3)	Core boxes	70 ea.	@ $ 5.00	350.00
	Total			$16,703.27

* Actual costs as invoiced by Nichols Drilling Company, Inc., 111 East 39th Street, Boise, Idaho, for drilling 5 holes with drill log footages as follows:

DDH-1	304'
" 2	359'
" 3	300'
" 4	300½'
" 5	240'
Total	1503½'

Government's Copy

MME Form 50
Feb. 1959

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

APR 9 1962
O.M.

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6133	Mercury	14-23-090- 2134	Valley	Idaho

It is agreed DEC 22 1961 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

T. R. Baugh

whose mailing address is 3620 Sycamore Drive, Boise, Idaho, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before August 1, 1962 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 10 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $18,510.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $9,255.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

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

Lien and Subordination Agreements of Lessors

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) 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 (see Article 6(a), Category (1)). 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, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. 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 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. 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [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 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.--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

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

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

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs 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 total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. 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, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, 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, sale to others, purchase by the Operator, or sale or transfer to 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 that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that 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 offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), 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 exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, 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:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be 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; and

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

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to 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 final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. 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.

See Article 16

~~ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

T. R. BAUGH
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By
Director, Office of Minerals Exploration

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

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52379

EXPLORATION CONTRACT
T. R. BAUGH
OME-6133

ANNEX I

The land referred to in Article 2 of the contract and shown in blue color on Figure 1, entitled "Map showing Claims and Geology, Fern Group, Valley County, Idaho," attached to and made part of the contract, comprises 6 patented lode mining claims, including all rights pertaining thereto, in sec. 12, T. 18 N., R. 9 E., and sec. 7 (unsurveyed) T. 18 N., R. 10 E., Boise Meridian, Yellow Pine Mining District, Valley County, Idaho, as follows:

Name of Claim	U. S. Survey No.
Fern	3020
Fern No. 2	"
Fern No. 4	"
Spruce Grove	"
Buck's Bed	"
Buck's Bed No. 1	"

The Operator controls the land under the terms of a "Mining Lease and Option" dated October 1, 1956, and signed by George Warberg, Mrs. George Warberg, Rob't Warberg, and Mrs. Zelma A. Warberg, and an "Amendment to Lease" dated June 1, 1961, signed by Rob't Warberg and Geo. Warberg.

Lien and Subordination Agreement, dated JUN 2 8 1961, _____, and signed by Rob't and Geo. Warberg is attached to and made part of the contract.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Valley, State of Idaho;

described as follows:[2] Fern; Fern No. 2; Fern No. 4; Spruce Grove; Buck's Bed and Buck's Bed No. 1, all of which are included in United States of America Patent Mineral Survey No. 3020 on file at the Public Land Office, Boise, Idaho, said Patent Mineral Survey No. 3020 being by reference incorporated herein.

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

T. R. Baugh[3]

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

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

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

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

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

None

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book _____, Page _____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

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

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

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

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

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

Dated this 28th day of June, 19 61.

Robert Harberg	(Seal)	438 Alturas Drive Twin Falls, Idaho (Street, City & State)
George Harberg	(Seal)	604 Main So Twin Falls, Idaho (Street, City & State)
V. R. Baugh	(Seal)	3620 Sycamore Dr. Boise, Ida (Street, City & State)
	(Seal)	(Street, City & State)
	(Seal)	(Street, City & State)
	(Seal)	(Street, City & State)

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

_____ (Corporate Seal)

EXPLORATION CONTRACT
T. R. BAUGH
OME-6133

EXHIBIT A

The purpose of the project is to explore for ores of mercury occurring as cinnabar and meta-cinnabarite in replacement deposits and fracture fillings in strongly altered dolomitic limestone, by means of diamond drilling from the surface of the Fern group of claims.

Diamond drilling shall be done with AX or larger sizes of coring bits. Holes shall be reamed and cased or cemented and redrilled where necessary. All cores shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for mercury.

Sludge samples shall be taken during the diamond drilling. In significantly mineralized sections where the core recovery is less than 60 percent, the sludges shall be assayed as above in addition to assaying the corresponding core segments which have been recovered. No sample, either of core or sludge, shall represent a hole interval of more than 5 feet.

All samples to be assayed shall be split and one-half made available to the Government. The Government will contribute to the cost of not to exceed 58 determinations for mercury.

All drill holes shall be logged geologically and copies of the logs of completed holes, together with maps showing drill holes and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government will not participate in the cost of incomplete holes. Casing left in drill holes at Operator's request will be for his sole account.

The locations, directions, inclinations, and depths of all diamond drill holes shall be subject to prior approval of the Government.

The bulldozer used for the preparation of access roads and drill sites shall be not less than TD-18 size or similar size of another make.

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

Description of the Work

Prepare access roads and drill sites as necessary. Not to exceed 32 hours of bulldozing will be allowable for this work.

Diamond core drill not to exceed 1,500 feet in approximately five drill holes at locations and with bearings, inclinations, and depths approximately as shown in red color on Figure 2.

Estimated Cost of the Project

Actual Costs

Category (1) Independent Contracts		
Bulldozing, 32 hours @ $15.00/hr.	$ 480.00	
Transportation of bulldozer	200.00	
Diamond core drilling, Size NX, 1,500 feet @ $8.75/ft.	13,125.00	
Size BX @ $8.25/ft.		
Size AX @ $7.75/ft.		
Cementing and redrilling or reaming and casing, 300 feet @ $3.70/ft.	1,110.00	
Transportation of drill and equipment	850.00	$15,765.00
Category (2) Personal Services		
Subcategory (a) Supervision and Technical Services		
Engineer-supervisor, 2½ months @ $600.00/mo.		1,500.00
Category (3) Operating Materials and Supplies		
None except:		
75 wooden core boxes @ $5.00/ea.		375.00

Category (4) Operating Equipment

Subcategory (a)

Rental - 1 pick-up truck or jeep, $2\frac{1}{2}$ months @ $150.00/mo. (includes gas, oil, maintenance and repairs)		$ 375.00

Category (7) Miscellaneous

None except:

Assaying 58 samples for mercury @ $4.25/ea. (includes sample sacks and transportation of samples)	$246.50	
Social Security, payroll taxes, workman's compensation insurance, etc. 16.5% of $1,500.00	$247.50	$ 494.00
Estimated Total Cost of the Project (rounded)		$18,510.00
Government Participation @ 50%		$ 9,255.00

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

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

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

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

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

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

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

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

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 9 1961

DATE	INITIALS	CODE
8/9	Griswold	100
8/10	Hoff S.O.H.	100

3620 Sycamore Drive
Boise, Idaho
August 7, 1961

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

Re: OME-6133 (Mercury)
Att: W. R. Griswold

Dear Mr. Griswold:

In response to your letter of June 29, 1961, regarding the above loan application, you will find enclosed herewith a financial statement, a letter of loan refusal from the First Security Bank and two copies of bids for work involved except on the bulldozing on which I have but one bid. This is accounted for by the fact that J. A. Walker is the only one in the Yellow Pine district who has such equipment for hire and the cost of haul in and hault out from Cascade, Idaho, would be prohibitive. If the fact that I have only one bid for the bulldozing is a deterrent to the loan, please delete this portion of the application and I'll try to get along without this work.

Concerning my financial ability you will note from the enclosed statement that I have several alternatives, i.e., re-mortgage my home, sell a portion of my Gem State holdings at a sacrifice or take in a partner. However, I trust my earnings over the next few months will make it unnecessary to resort to any of the above alternatives. In any event, you may be assured, that in the event the loan is granted, my share of the cost will be paid as due.

You will note that the bids enclosed call for a standard 5' x 7' drift with a 1% grade.

I have necessarily delayed in answering your letter but I have had a great deal of difficulty in getting bids from two men who are both interested and qualified to do the work. Mining in this area is virtually at a standstill.

I trust the above information is all that you require and that further processing of the loan application can be had at an early date.

Very truly yours,

T. R. Baugh

TRB/m
Encls.-~~3~~ 4

L-11

INDIVIDUAL STATEMENT

(Confidential)

BUSINESS Insulation Contractor

From T. R. Baugh Address 1310 State St., Boise, Idaho (Bus.)
3620 Sycamore Dr., " " (Res.)

To U. S. Dept. of Int., OME

For the purpose of procuring credit from time to time I (we) furnish you with the following statement, which fully and truly sets forth my (our) financial condition on the 1st day of August, 19 61, which statement you can consider as continuing to be full and accurate unless notice of change is given to you. In consideration of the granting of such credit, I (we) agree that if at any time I (we) stop payment or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if I (we) fail to notify you of any material change in my (our) financial condition, then and in either such case all my (our) obligations held by you shall, at your option, immediately become due and payable without demand or notice, and the same may be charged against any deposit account kept or credit due me (us) on your books.

ASSETS	Dollars	Cts.
Cash on Hand and in _____ Bank	1412	28
Cash, Savings Accounts and Time C. D.		
Notes Receivable (See Schedule 1)		
Accounts Receivable (See Schedule 2)	1364	00
Listed Securities—Describe		
Other Current Assets—Describe		
Personal property	5000	00
Merchandise on hand (wholesale)	560	00
Equipment, cars & trucks	8300	00
Mining Equipment	600	00
Back wages due from Gem State Consolidated Mines	10,500	00
Cash Value of Life Insurance $	6,000	00
Total Current Assets	33,736	28
Real Estate (See Schedule 3)		
Lot 18, Sycamore Dr., Boise	30,000	00
Warehouse at 4901 Brand, Boise	6,000	00
Office Furniture and Equipment	500	00
Unlisted Stocks, Bonds, Invest.—Describe Fully		
100,000 shares Gem State Consolidated Mines, Inc. (Value unknown but mine producing--last sold by Corporation @ 50¢ per share)		
Other Assets		
Total Assets	70,236	28

LIABILITIES	Dollars	Cts.
Notes Payable to This Bank	1750	00
Notes Payable to Other Banks—Describe Fully		
Notes ~~Payable to Others~~—Describe Fully		
Accounts Payable—Describe Fully		
Idaho ~~First~~ National Bank	2200	00
~~(Auto & truck contracts)~~		
Accrued Expenses, Taxes, Interest, Etc.	640	00
Other Current Liabilities—Describe Fully		
Loans against life insurance	5000	00
Accounts payable	1392	60
Total Current Liabilities	10,982	60
Mortgages (As per Real Estate Schedule)		
Lot 18, Sycamore Drive, Boise	7000	00
Lot & bldg. & 4901 Brand, Boise	3500	00
Other Fixed Liabilities—Describe Fully		
Total Liabilities	21,482	60
Net Worth	48,753	68
TOTAL		

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O. M. E
RECEIVED AUG 9 1961
DATE INITIALS CODE

Liability as endorser for others $ _____ Are any of above assets pledged to secure indebtedness? _____

Life Insurance carried $ _____ Payable to _____

Public Liability Insurance on automobiles $ _____

Fire Insurance on personal property $ _____ on buildings $ _____ Do you carry Employers Liability Insurance? _____

Are any suits or litigation pending either for or against firm? _____ Details _____

Has declaration of homestead been filed on any of real estate? _____ If so, which property? _____

Annual salary or income from profession $ _____ Married Yes No _____ Number of dependents _____ Age _____

If salaried person give name of employer _____

How long in present occupation? _____

(Over)

Schedule No. 1

DESCRIPTION OF NOTES RECEIVABLE

Name	Amount	Due	Other Details
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		

Schedule No. 2

DESCRIPTION OF ACCOUNTS RECEIVABLE

Name	Amount	Due	Other Details
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		

Schedule No. 3

DESCRIPTION OF REAL ESTATE

LOCATION	IMPROVEMENTS	In Whose Name Is Title Held	Value of Land and Improvements	Amount of Mortgages or Liens	When Due
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	
			$	$	

This statement, both printed and written, has been carefully read, and is a full, true and correct statement of my (our) financial condition, and I (we) hereby state that no representation, promise or agreement not expressed herein has been made to induce me (us) to sign such statement, and I (we) hereby agree to be bound by the express provisions hereof.

(Signed) _____

P. O. Address 3620 Sycamore Dr., Boise, Idaho

Subscribed and sworn to before me this _____ day of _____, 19____

Notary Public in and for _____ County

State of _____

My Commission expires _____

REFERENCES AND REMARKS

The foregoing is a copy of the original statement in the credit files of this bank.

_____

Cashier, Vice-President

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 9 1961

DATE	INITIALS	CODE

First Security Bank of Idaho
NATIONAL ASSOCIATION
BOISE OFFICE
BOISE, IDAHO

July 7, 1961

Mr. T. R. Baugh
c/o Baugh Insulation Company
1310 State Street
Boise, Idaho

Dear Mr. Baugh:

This is to advise you that your application for a $12,000.00 loan to be repaid over a period of ten years, proceeds of said loan to be used for the development of the Serrano Mercury Mine located approximately four miles northeast of Stibnite, Idaho, has been carefully reviewed.

We regret to inform you that the application for the above loan has been disapproved.

We will be glad to discuss this matter further with you if you so desire.

Yours very truly,

C. M. Snyder
Vice President

CMS:hs

OFFICIAL FILE COPY
RECEIVED AUG 9 1961
DATE INT. CODE

Yellow Pine, Idaho

August 6, 1961

T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Dear Mr. Bauch:

In connection with your application for OME assistance I herewith propose to drive a drift on the Buck's Bed claim of the Fern cinnabar group for a distance of 300 feet at a cost of $35.00 per foot. I agree to furnish all labor, materials such as rail, ties, timber, etc., and to carry insurance as required by the State of Idaho. All work will be done in a miner-like fashion in accordance with good mining practice. Said drift shall be a standard 5' x 7' with a 1% grade.

I also propose to furnish an International TD18 dozer as required for the sum of $15.00 per hour or $110.00 per day.

Very truly yours,

J. A. Walker

J. A. Walker

August 4th 1961

OFFICIAL FILE COPY
O M E
RECEIVED AUG 9 1961
DATE | INITIALS

Mr. T. R. Baugh
3620 Sycamore Dr.
Boise, Idaho

Dear Mr. Baugh:

Please accept this letter as a proposal to perform certain work as stated herein on the Fern Group of Mining Claims located near Stibnite, Idaho.

I hereby offer to excavate a drift 5 ft. width x 7 ft. high x 300 ft. in total length, maintaining a 1% grade. I will furnish all necessary equipment, supplies + labor, including taxes + insurance applicable for said work at the rate of 34.00 per lineal ft. of drift excavated.

Should timber become required, I will install said timber at the rate of 8.00 per lineal ft. of completed, standard drift set.

I will perform all work in an orderly + minerlike fashion.

Very truly yours,

M. L. Tate

M. L. Tate, Pres.
Tate Mine Development + Supply Co
P.O. Box 1126
Hawthorne, Nevada
Phone, Wilson 5-3174

Dated: August 4, 1961.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8-10	gad	220
"	Hoet	500

AUG 10 1961

Memorandum

To: W. R. Griswold, Chief
Division of Minerals

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

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

As the evidence required by item 1(a) of the subject application dated June 7, 1961, for a project estimated to cost $13,850.00, the following have been submitted:

(a) Carbon copies of identical letters dated May 22 to the First Security Bank of Idaho and the Bank of Idaho, both of Boise, Idaho, requesting a $12,000.00 exploration loan to be "repaid over a long period of time at a reasonable rate of interest";
(b) The Bank of Idaho's May 29 reply declining the request because "the purpose of the loan is speculative in nature and not generally made by banks"; and
(c) The May 25 and July 7 replies of the First Security Bank of Idaho, respectively, inviting a discussion of the request and advising that "the application for the above loan has been disapproved".

On the basis of the cited correspondence, provided that one of the correspondents is the applicant's bank of account, it appears that the applicant is financially eligible for federal assistance in the proposed exploration work.

EDTalbert/ama
August 10, 1961

Copy to: Docket
Director's Reading File
Mr. Talbert

43683

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 6/12/61

TO: Chief, Division of Field Operations	DATE	INITIALS
1. Re: Transmittal of application (Mercury)		
T. R. Baugh		
2. Fern Cinnabar Group		
Valley County, Idaho		
3.		
4.		
Mary L. Smelser		
5. For: D. R. MacLaren		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

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

REMARKS:

As Mr. MacLaren is in the field, I am forwarding this application for financial assistance. When he returns, he will check it and forward any comments he feels necessary.

M50943

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

C O P Y

OFFICIAL FILE COPY
C O P Y
RECEIVED JUN 15 1961
DATE | INITIALS | CODE

3620 Sycamore Drive
Boise, Idaho
June 9, 1961

Office Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Gentlemen:

For your favorable consideration you will find enclosed herewith executed application for an exploration contract on the Fern Cinnabar Group in Valley County, Idaho.

Forms & documents enclosed

MME Form 40	4 copies
Correspondence, financial eligibility	4 copies
Exploration project	4 copies
MME Form 52	5 copies
Geological report	2 copies
Geological map	2 copies
Claim map	2 copies
Lease & option and amendment	1 copy

Because of a limited season it is imperative that any work be started soon if it is to be completed this year. Therefore, if you find my application order it will be appreciated if action can be taken at the earliest possible moment.

Very trul yours,

/s/ T. R. BAUGH

T. R. Baugth

TRB/m
Encls.-24

MME FORM 6
REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION 6/12/61

	DATE	INITIALS
TO: Chief, Division of Field Operations		
1. Re: Transmittal of application (Mercury)		
2. T. R. Baugh Fern Cinnabar Group Valley County, Idaho		
3.		
4.		
5. For: Mary L. Smelser D. R. MacLaren		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

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

REMARKS:

As Mr. MacLaren is in the field, I am forwarding this application for financial assistance. When he returns, he will check it and forward any comments he feels necessary.

M50943

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

MME Form 40
Dec. 1958

RECEIVED
Via cert mail
JUN 12 1961
R.R.
D.S.G.S.
ZONE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*	APPLICANT DO NOT USE THIS BLOCK
T. R. Baugh 3620 Sycamore Drive Boise, Idaho	DOCKET NUMBER: OME-6133 DATE RECEIVED: 6-15-61 REGION: I DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*	LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE		
	NAME	ADDRESS	TITLE
INDIVIDUAL [X]			
CORPORATION [ ]			
PARTNERSHIP [ ]			
OTHER *(Specify)* [ ]			
STATE IN WHICH FIRM IS ORGANIZED			

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME	LOCATION COUNTY	STATE
Mercury	Fern	Valley	Idaho
ESTIMATED COST OF PROJECT $ 13,850.00			

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

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

June 7, 1961
DATED

T. R. Baugh
BY *(Signature)*

Lessee
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

I[illegible] DUP. SEC., WASH., D.C. 50399

FERN MINE

UNDERGROUND EXPLORATION PROJECT

T. R. Baugh, Applicant
3620 Sycamore Drive
Boise, Idaho

1. FINANCIAL ELIGIBILITY:

(a) See attached correspondence from the Bank of Idaho and the First Security Bank, both of Boise, Idaho.

(b) None.

(c) Supervision, accounting and cash

2. APPLICANT'S RIGHTS IN LAND:

(a) The property is held by myself under lease and option from George and Robert Warberg of Twin Falls, Idaho, as per true copy of lease and amendment to lease as attached hereto.

There are no liens or encumbrances.

(b) The legal description of the land is as follows:

The property comprises six (6) patented mining claims situated in the Yellow Pine mining district in the County of Valley, State of Idaho, and described as follows, to-wit:

Fern; Fern No. 2; Fern No. 4; Spruce Grove; Buck's Bed and Buck's Bed No. 1, all of which are included in United States of America Patent Mineral Survey No. 3020 on file at the Public Land Office, Boise, Idaho, said Patent Mineral Survey No. 3020 being by reference incorporated herein.

All of the land, covering slightly less than 100 acres, is subject to Government royalty and liens.

The property has always been known as the "Fern" but for business purposes I explored the property in 1960 under the name "Serrano Mercury Mine".

(c) Five copies of Lien and Subordination Agreements properly signed are attached hereto.

Fern Mine Underground Exploration Project

T. R. Baugh, Applicant
3620 Sycamore Drive
Boise, Idaho

3. PHYSICAL DESCRIPTION:

(a) See attached geological report as executed by Dr. Warren Wagner after several examinations of the property in 1960.

(b) All of the surface bulldozing, cuts, etc., shown on map included with above report was done by me in 1959 and 1960.

(c) It is reputed that perhaps 30 flasks of mercury were produced in the latter part of World War I. No settlement sheets or mine records are available.

(d) There are no known ore reserves at this time. Assays as shown on Dr. Wagner's map were made by an engineer for Cordero Mining Company and the results of sampling communicated to me by telephone. Assaying was done by trenching over the areas shown, each sample weighing from 25 to 30 pounds.

(e) Again please refer to attached geological report.

(f) The widespread mineralization exposed by removal of overburden and the prominent structure roughly parallelling the contact, would indicate the downward extension of the mineralization will be proven by an underground drift. Also, there appears to be a marked similarity geologically to that of the Hermes mine which lies about one mile north and which has been a large producer of mercury in the past.

(g) Two copies of geologic report are attached. Their return to me is not necessary.

4. ACCESSIBILITY OF PROPERTY:

The property is now open for examination. If an examination by an OME representative is necessary before a loan is granted, said representative may contact T. R. Baugh, 3620 Sycamore Drive, Boise, Idaho, residence 'phone 32969 or business 'phone 30421.

The property is reached by following the old Thunder Mountain Road out of Stibnite up Fern creek for a distance of about 3½ miles, turning to the left at the Fern Creek bridge which is identified by a Forest Service sign.

(b) McCall, Idaho, is located about 80 miles west of the property although Boise, Idaho, is the main shipping and supply point, about 182 miles from the property.

5. EXPLORATION WORK:

The minerals sought by this work are cinnabar or other mercury minerals.

(a) The proposed exploration work shall consist of about 300 feet of 5' x 7' tunnel, utilizing the old Buck's Bed tunnel as shown on the accompaning map and which was rehabilitated in 1960. It is proposed that this drift

follow the structure as now evidenced on the surface and in the Buck's Bed tunnel in a northwesterly direction for 150 feet at which point a cross-cut will then be made south to the quartzite contact. See accompanying map. The portal of the Buck's Bed tunnel lies about 100 feet west of the east side line of the Buck's Bed claim.

(b) Some road repair and maintenance will be necessary and dump facilities should be improved as provided for in the bulldozing contract.

(c) Work could commence not later than 15 days after an OME contract is executed and should be completed by November 1, 1961.

6. EXPERIENCE:

The applicant, who will supervise the work, has been associated with Gem State Consolidated Mines (an underground operation) as general manager for twelve years and is familiar with mining operations in general. I have recently resigned my position with the above-named company and will devote as much time to the exploration project as necessary.

7. ESTIMATE OF COSTS:

(1)	300 feet of drift on contract @ $34.50 per foot	$10,350.00
(2)	Bulldozer work - 40 hours @ $15.00 per hour	600.00
(3)	Assaying 100 samples @ $3.00	300.00
(4)	Engineering, surveys, etc., ...	600.00
(5)	Supervision, 4 months @ $500.00 per month	2,000.00
	Total costs	$13,850.00

(a) Independent contracts. The contracts for this project will be one for the bulldozer work on an hourly basis and the second for the tunnel work on a footage basis.

(b) Personal services. The applicant to supervise at $500.00 per month as listed above with engineering help as necessary.

(c) Operating materials and supplies. None required which is not furnished by the Contractors.

(d) Operating equipment. All equipment provided by the Contractors.

(e) Initial rehabilitation and repairs. No rehabilitation or repairs needed.

(f) New building, fixtures, installations. None required.

(g) Miscellaneous. With contracts no items under miscellaneous needed except the assaying listed.

MINING GEOLOGY OF THE FERN MINE, VALLEY COUNTY, IDAHO

FOR

SERRANO MERCURY MINE
3620 Sycamore Drive,
Boise, Idaho

BY

Warren R. Wagner
6526 Holiday Dr.
Boise, Idaho

Four Copies: Three to Serrano and 1 to file WRW. 11/30/60.

MINING GEOLOGY OF THE FERN MINE, VALLEY COUNTY, IDAHO

I N T R O D U C T I O N

This summary of the geology of the Fern Mine was compiled at the request of Mr. Trevor Baugh, owner of the Serrano Mercury Mine. The writer has spent considerable time studying and working in the general area of the mine over the past 20 years, and has visited the Fern group of patented claims many times, both before and after Mr. Baugh leased the property.

Property and Ownership: The Fern Mine consists of 6 patented lode mining claims, Fern, Fern No. 2, No. 4, Bucks Bed No. 1, and Bucks Bed, and Spruce Grove.

The claims are owned by an estate in Pocatello, Idaho, but are under lease and option to Serrano Mercury Mine, 3620 Sycamore Drive, Boise, Idaho.

Location and Accessibility: The Fern Mine is in T.18N, R.10 E. (unsurveyed) in the Yellow Pine Mining District, approximately 15 miles east of the settlement of Yellow Pine, Valley County, Idaho. The mine is near the top of Monumental Summit about 3 miles east of the old mine camp of Stibnite.

County and U.S. Forest Service roads extend from McCall, Idaho, a distance of 80 miles, and from Cascade, Idaho, a distance of 86 miles, to Stibnite (See highway map, next page). The road from Stibnite to Thunder Mountain area passes within a few hundred yards of the property.

As there is no active mining operation in the general area at present, much of the road into the Yellow Pine area is closed by snow during winter months.

An airport, now maintained by the U.S. Forest Service is located at Stibnite; it is open about 8 months each year. Ski equipped planes can use the airport during winter months.

Both the roads and airport could be maintained on a year a round basis should mining activity warrant.

Climate, Vegetation, Drainage: Severe winters are the rule in the area. Heavy snows require that all buildings be well constructed. Temperatures ranges are from well below zero to an exceptional 90 or so degrees in summer. It is estimated that a schedule of 260 working days could be maintained should one decide to operate on a seasonal basis.

The area is covered with thick stands of fir and pine. There is sufficient timber on the property for all mine and building requirements.

Fern Creek, a small stream, tributary to the East Fork of the Salmon River heads above the property and flows through it(See Topographic Map, in back). It is a permanent stream and can supply all water needs for an operation.

Previous Geologic Work: There seem to be no recent publications on the Fern Mine. In the past a number of reports dealing with the Fern have been published. Some of these are:

1. Schrader, F.C. and Ross, C.P., Antimony and Quicksilver Deposits of the Yellow Pine District, Idaho, U.S.G.S. Bull. 780, 1926.

2. Livingston, D.C., Tungsten, Cinnabar, Manganese, Molybdenum and Tin deposits of Idaho, Univ. of Idaho, School of Mines, Bull. 2, Vol. XIV, pp. 54-65, Moscow, Idaho.

3. _____, U.S. Geological Survey Bull. 715, pp.73-83, 1920.

History and Production: The Fern Claims were located in 1917 by E.H. Van Meter and some production was obtained from the upper tunnels.

In 1918 and 1920, D.C. Livingston (ref. 2 and 3, above) published reports on the mine.

The mine was apparently closed from about 1920 until 1926 when Schrader and Ross (No. 1, above) visited the property. In 1928, a Mr. Smith is reported to have worked the mine for a short time.

Total production apparently comes to about 35 or 40 flaskes of mercury.

The mine was idle from 1928 until leased by Serrano in 1956.

Mine Workings and Plant: The old mine workings (pre-Serrano) consist of a number of shallow cuts on and near the quartzite-dolomite contact, 3 or 4 tunnels on the Fern Claim not far below the summit and one tunnel on the Bucks Bed Claim, just below the new work done by Serrano, near the southeast corner of the property.

An old style, mostly wrecked retort is located on the Bucks Bed Claim not far from the mouth of the tunnel on that claim.

Most of the tunnels are open and maps of them are included under descriptions of ore deposits or on the geology map in back of the report.

G E O L O G Y

Geologically the Fern Mine is situated along the eastern side of a small roof pendant of highly altered and metamorphosed, early Paleozoic sedimentary rocks. The roof pendant is almost entirely surrounded by granitic rock of the Idaho batholith.

The mercury mineralization occurs in dolomite or dolomitic marble near its contact with quartzitic material. The quartzite is gray to dark gray, often conglomeratic and somewhat schistose. The marble or dolomite is white to buff in color with here and there a deep yellow-brown zone due to iron staining. The dolomite is considerably altered or "sanded" near ore. At places along or near the quartzite-dolomite, fair sized ledges of gray to brownish chert outorop. The chert usually contains some cinnabar.

The meta-sediments are folded and contorted. Near the upper Fern Workings, the beds strike N. 35°W. and dip steeply N.W.? whereas, near the lower workings, faulted beds trend N. 35°E. and dip 30-35° S.

The most prominent structural features are the quartzite-dolomite contact that trends N.35-40°W and dips 40-50° N.E., and the jointing and fault pattern in the dolomite.

The geology and structure of the Fern Mine is much like that of the Hermes Mine about 1 mile to the north. The Hermes Mine, now idle, has a past production of over 20,000 flasks of mercury.

ORE DEPOSITS

Mercury (cinnabar) deposition is confined almost entirely to the dolomitic marble beds and related chert. Joint systems, fractures and faults control the ore shoots (see Plate I, in back). Vertical to steeply dipping joints strike N., N.10°E, N.35°W., N.25°E. and E-W. Intersecting of the joint sets with one another or with fractures and faults form breccia or fracture zones that control or localize the ore. (See geology map, in back).

Size and Shape of ore Bodies: Ore shoots at the Fern mine are small, irregular in shape but high grade. The largest body was in the uppermost tunnel on the Fern Claim; here an old stope measures 60 feet long, by 10 feet high by 4 feet wide. The vein pinches to almost nothing in all directions from the stope. (See underground maps, next pages).

The ore shoots uncovered during Serrano's exploration during the last two seasons range in size from those containing a few pounds of highgrade mercury ore up to about 5 tons of fair grade ore. None of the shoots are clearly outlined, but consist of irregular deposition of mercury along fractures or in fractured zones.

To the writer's knowledge, the greatest depth reached on theproperty is about 60 feet below the surface.

Tenor or Grade: Selected samples from small areas on the property have run as high as 500 pounds of mercury per ton. Nothing is known concerning the grade of ore mined in the early operations. Serrano's exploration work uncovered shoots ranging in grade from 2-3 pounds of mercury per ton to over 100 pounds per ton. Several zones that will average from 3 to 7 pounds per ton are now exposed in the Serrano cuts on the Bucks Bed Claim.

Mineralogy: Cinnabar is the chief ore mineral. A very minor amount of black metacinnabarite (metacinnabar) is present.

The cinnabar occurs either as red, irregular masses in the dolomite and chert or as dark purplish-red crystals (hexagonal rhombohedral-trapezohedral) in cavities and along open fractures.

CONCLUSIONS

Widespread, though erratic mercury mineralization at the Fern Mine is certainly challenging. The remoteness of the district, plus severe winters handicap an operation but do not prohibit one.

Location of the Fern Mine, about 1 mile south of the Hermes Mine, formerly a large mercury producer, and adjacent to the west end of the promising United Mercury Mining Company claims, indicates a favorable envoronment. The geology and structure at the Fern is much like that at the Hermes and is the same as that on the United Mercury ground to the east.

Serrano's surface exploration of the past two seasons shows that with the possible exception of some cat cuts toward the west end of the dolomite-quartzite contact, additional surface work will not add materially to the discovery of commercial ore bodies.

Geological factors (rock contrast, structure, joint systems, fault and breccia zones, mineralogy, and known deeper producers in the immediate vicinity) all combine to suggest that the Fern Mine area needs deeper exploration.

RECOMMENDATIONS

In order to obtain the most geologic information and to acertain the nature of ore at depth, it is suggested that additional exploration work at the Fern Mine be confined to subsurface exploration methods: i.e. drilling or drifting. Ore structures in the old underground workings can be followed or a systematic drilling program laid out.

Boise, Idaho
November 30, 1960

Warren R. Wagner
Warren R. Wagner,
Geologist.

1310 State St.

xxxxxxxxxx
xxxxxxxxxxx

May 22, 1961

First Security Bank
119 No. 9th
Boise, Idaho

Attention: C. M. Snyder, Manager

Dear Mr. Snyder:

For several years I have held a lease and option on six patented mining claims in the Yellow Pine mining district known as the "Fern Group" from which a small amount of mercury has been produced in the past.

Surface exploration done in 1959 and 1960 would indicate that underground exploration may prove the existence of ore bodies of sufficient size and value to be of economic importance. I have in my possession geological reports as made by Dr. Warren Wagner indicating that such development may be successful and I shall be glad to furnish these reports upon request.

About $12,000.00 will be required to undertake the necessary exploration and as I exhausted my funds in last year's work, I must seek a loan in order to continue my exploration of the property.

Would the First Security Bank, in view of my past credit experience with you, consider loaning me the above amount in such a manner that it could be repaid over a long period of time and at a reasonable rate of interest?

May I have a favorable response from you at an early date?

Very truly yours,

T. R. BAUGH

TRB/m

First Security Bank of Idaho
NATIONAL ASSOCIATION
BOISE OFFICE

BOISE, IDAHO

May 25, 1961

Mr. T. R. Baugh
Baugh Insulation Company
1310 State Street
Boise, Idaho

Dear Mr. Baugh:

This will refer to your letter of May 22nd.

We will be glad to discuss the contents of your letter with you if you will be kind enough to drop in to the bank at your early convenience.

Yours very truly,

C. M. Snyder
Vice President

CMS:hs

(OVER)

As per the request contained in Mr. Snyder's letter, I personally met with him on May 26, 1961, and the matter was discussed at some length.

The loan was verbally refused but Mr. Snyder stated that it was against the policy of the bank to put such refusals in writing.

Signed _____

1310 State St.

xxxxxxxxxx
xxxxxxxxxxxxxxxx

May 22, 1961

Bank of Idaho
119 No. 8th
Boise, Idaho

Attention: George Cunningham, Mgr.

Dear Mr. Cunningham:

For several years I have held a lease and option on six patented mining claims in the Yellow Pine mining district known as the "Fern Group" from which a small amount of mercury has been produced in the past.

Surface exploration done in 1959 and 1960 would indicate that underground exploration may prove the existence of ore bodies of sufficient size and value to be of economic importance. I have in my possession geological reports as made by Dr. Warren Wagner indicating that such development may be successful and I shall be glad to furnish these reports upon request.

About $12,000.00 will be required to undertake the necessary exploration and as I exhausted my funds in last year's work, I must seek a loan in order to continue my program on the property.

Would the Bank of Idaho consider loaning me the above amount in such a manner that it could be repaid over a long period of time at a reasonable rate of interest?

Your favorable consideration of the above request will be very much appreciated.

Very truly yours,

T. R. BAUGH

TRB/m

BANK OF IDAHO

THE BANK OF FRIENDLY SERVICE

Boise, Idaho
May 29, 1961

Mr. T. R. Baugh
1310 State Street
Boise, Idaho

Dear Mr. Baugh:

This is in reply to your letter of May 22 requesting a term loan in the amount of $12,000.00 to be used for exploration work in development of a mine in the Yellowpine district.

We are sorry we must decline your request as the purpose of the loan is speculative in nature and not generally made by banks.

Very truly yours,

Geo. T. Cunningham

Geo. T. Cunningham
Vice President & Manager
Main Branch

GTC:mw

MINING LEASE AND OPTION

[illegible]ASE AND OPTION, made and entered into this 1st day of October, [illegible]

[illegible]en GEORGE WARBERG AND ROBERT WARBERG, brothers, Twin Falls, Idaho, par-

[illegible] first part, hereinafter called "Leassors", and T. R. BAUGH, Boise,

[illegible] of the second part, hereinafter called "Lessee".

[illegible]ITNESSETH:

I

[illegible]arties of the first part represent and warrant that they have title to the [illegible]ing described patented mining claims, situated in Yellow Pine mining dis[illegible] in the County of Valley, State of Idaho, and described as follows, to-wit:

Fern; Fern No. 2: Fern No. 4; Spruce Grove; Buck's Bed; and Buck's Bed No. 1, all of which are included in United States of America Patent Mineral Survey No. 3020 on file at the Public Land Office, Boise, Idaho, said Patent Mineral Survey No. 3020 being by reference incorporated herein.

Together with all water rights and water permits, tailing sites, mill sites and easements now owned or in the future acquired by the Lessors for use in connection with mining activities upon the above described real property.

All of which shall be deemed referred to herein as "leased premises".

Said lessors further represent that there are no liens or claims of any kind against such property.

II

Lessors desire to give and grant unto the Lessee, and the Lessee desires to obtain a lease and option covering all of the above-described property and the appurtenances thereon, and Lessors do hereby give and grant unto the Lessee such exclusive lease and option to purchase said property under the terms and conditions hereinafter specifically enumerated.

III

The Lessee may go upon and take possession of such property upon the execution of this agreement, and may thereafter, so long as he is not in default hereunder, maintain the possession, and may prospect all of said property for the valuable minerals therein and may remove, extract, and sell the same for his own use and benefit, subject to such payments as are required to be made to Lessors herein.

understood that Lessee may utilize any timber on the said mining claims for his mining purposes on said claims, but that he may not sell any timber on the claims.

The Lessor reserves the right and privilege to utilize the leased premises for farming and livestock grazing activities and for dwelling purposes to the extent that such will not interfere with the operations of the Lessee hereunder.

The Lessor or his duly authorized representative reserves the right to inspect the mine workings and the records of the Lessee at all reasonable times for the purpose of determining that the Lessee has complied with the terms and provisions of the Mining Lease and Option.

It is understood that Lessee, through the services of a competent geologist and mining engineer, will make a reconnaisance of the above described real property during the month of October, 1956, weather conditions permitting. It is further agreed that Lessee shall, on or before July 15th, 1957, commence such exploratory work on the property as is recommended by said engineer; such work to consist of bull-dozing, drilling or other exploration as may be required to make an adequate exploration. It is understood and agreed that not less than two men will be continuously engaged at all times during such exploration until September 10, 1957. Lessee will also furnish Lessors or their agents full and complete reports covering reconnaisance and exploration.

IV

The Lessee agrees to pay all property taxes levied and assessed upon the machinery, equipment, buildings, and other property owned by the Lessee and utilized in the mining operations hereunder and further agrees to pay the "Mines License Tax" of the State of Idaho and other license, severance or use taxes which may be levied, either by the United States of America or the State of Idaho upon the mining products produced from the leased premises during the mining operations of the Lessee. The Lessee further agrees to carry Workmen's Compensation Insurance upon its employees as required by the statutes of the State of Idaho and to pay all Unemployment Compensation and Social Security taxes required by Federal or State of Idaho statutes to be paid by the Lessee as an employer. In the event the validity of any tax herein required to be paid by the Lessee shall be tested, the failure of the Lessee to pay any such tax at the time the same shall become due and prior to the determination of validity of the tax from such contest, shall not constitute a violation of the terms of this Mining Lease. The Lessee agrees to pay, before delinquency, all State and County taxes, irrigation district assessments and all other taxes and assessments

whatsoever kind levied or assessed during the term of this Mining Lease upon the described real property.

V

As mining royalty (referred to herein as such), the Lessee does hereby agree to pay the Lessors a sum of money equivalent to eight (8%) percent of the net sale, returns received for all mining products recovered by the Lessee through mining operations upon the leased premises and sold and disposed of by the Lessee. The term "net sale returns" as used herein shall be understood and interpreted to mean the gross amount of money received by the Lessee from the sale of any and all mining products which shall be removed and recovered by the Lessee through its mining operations upon the leased premises or any part thereof, less those expenses specifically hereinafter made deductible.

Only the following items of expense, if incurred, shall be deducted in computing net sale returns (upon which mining royalty is payable); (a) All mint and/or smelter charges in the case of those mining products shipped to a mint, smelter or branch thereof; and (b) the expense of transporting the mining products by common carrier from the point of initial loading on said common carrier to point of sale.

The mining royalty payable to the Lessors hereunder shall become due and payable on the 10th day of each month and such mining royalty shall be computed on the net sale returns from all mining products recovered through the mining operations of the Lessee on the leased premises for which payment has been received by the Lessee from the sale thereof during the calendar month preceding the month in which such mining royalty payments shall become due. At the time of making each such mining royalty payment, the Lessee shall transmit to the Lessors a true and correct statement of the amount, kind and nature of mining products recovered through the mining operations of the Lessee upon the leased premises for which mining royalty is then being paid, and with each such mining royalty payment, there shall be transmitted to the Lessors a duplicate mint or smelter return or statement from any other purchaser to whom such mining products shall have been sold.

All payments shall be paid either directly to the Lessors or shall be deposited to the account of the Lessors in such banking institution as the Lessors shall designate in writing.

As minimum royalty (herein referred to also as rental) the Lessee agrees to pay

o the Lessor the Sum of Two Hundred ($200.00) Dollars per month commencing Septem-
er 10, 1957, and such minimum payment to continue for the life of the lease or option.

It is understood and agreed that the royalty payments above mentioned are to be considered as minimum royalty payments due each month as specified above, but if the 8% royalty due from production exceeds the minimum royalty specified above, the 8% royalty shall be paid.

VI

This lease shall run for a period of twenty (20) years from and after the date of this lease, unless sooner terminated by exercise of the option to purchase and payment of the entire purchase price as hereinafter provided, or by forfeiture of said lease by Lessee.

VII

The Lessors hereby give and grant unto the Lesses the exclusive right and option to purchase the above described claims for the full purchase price of $500,000.00 DOLLARS. This option to purchase is effective for a period of eighteen (18) years from and after the date of this contract; should such option be exercised, all royalty payments theretofore made by the Lessee pursuant to the previous provisions of this agreement shall apply on said purchase price. In the event that the Lessee wishes to exercise such option within said 18 year period, he shall so notify the Lessors in writing, and thereupon this contract will become a contract to purchase said property, and the royalty provisions of this contract shall continue and such royalty shall apply on the purchase price, and the entire purchase price must be fully paid within two years of the date the option to purchase is exercised; the unpaid balanaa of the purchase price shall not draw interest.

VIII

During the period of this lease and option the Lessee shall protect the Lessors and the property above described from any and all claims of whatever kind incurred by him or arising out of his operations on said property, and Lessee agrees to allow no claim or lien of any kind to be filed against said property as a result of his operations thereon.

IX

Should the option to purchase herein granted, be exercised, the Lessors agree that upon payment of the entire purchase price for said property, they will execute

and deliver to said Lessee or his assigns, a good and sufficient mining deed covering all of the above described property.

X

Lessee may place any buildings, machinery, or equipment which he may desire, on said property for the working thereof, and it is agreed that the title to any and all of such machinery or supplies shall remain in the Lessee. If for any cause this lease and option is terminated prior to the payment of the full purchase price therefor, the Lessee shall have a period of thirty (30) days thereafter in which to remove such machinery, equipment, and supplies, together with any other equipment installed for the purpose of working this property or transporting the ore therefrom, and upon failure to so remove such equipment, machinery, or supplies within such period, the title shall be forfeited to the Lessors. It is understood and agreed, however, that the removal of such equipment, machinery or supplies within the thirty day period be contingent upon road conditions to and from the property.

XI

Time is the essence of this lease and option and should the Lessee fail to make any payment herein required or violate any other condition or clause of this lease and option, this said contract shall be terminated and all rights of the Lessee forfeited therein, provided, however, that before such forfeiture occurs, the Lessors shall give written notice, specifying the matters in which it is claimed the Lessee is at default, and Lessee shall have thirty (30) days after mailing of said written notice in which to perform such condition or cure or rectify any such violation, and failing to do so at the end of said thirty ~~twenty~~ (30) ~~(20)~~ day period, this contract shall be terminated and all the rights of Lessee herein forfeited, together with all payments theretofore made by him, which shall be considered as fair rental and liquidated damages for the violation of this contract, provided, however, that the Lessee must pay any and all amounts due at the time such forfeiture notice is given or at the end of said forfeiture period and shall thereupon surrender the peaceable possession of all of said property to the Lessors.

The written notice herein required to be given by Lessors shall be considered given upon deposit in any United States Post Office, postage prepaid, properly stamped and addressed to Lessee at his legal address.

XII

It is understood and agreed that the Lessee will carry on all mining work on this said property in a good, miner-like manner, consistent with good mining practices [illegible] the orderly development of this property as a commercial mine.

XIII

[illegible] contract may be assigned by the Lessee, but upon such assignment he shall [illegible] of same and such [illegible] shall be [illegible]

[illegible] Lessee at the [illegible]

XIV

[illegible] made hereunder by Lessee to Lessor, [illegible] addresses: GEORGE WARBERG AND [illegible] transmittal letter to Barton & Stodd[illegible]

XV

[illegible] shall inure to the benefit of and be bi[illegible] respective heirs, administrators, and assigns.

[illegible]S WHEREOF, said parties have hereunto set their hands this [illegible]

[illegible]

AMENDMENT TO LEASE

THIS AGREEMENT, made and entered into this 1st day of June, 1961, by and between GEORGE WARBERG and ROBERT WARBERG, brothers, Twin Falls, Idaho, parties of the first part, hereinafter called "Lessors", and T. R. BAUGH, Boise, Idaho, party of the second part, hereinafter called "Lessee".

WITNESSETH

THAT WHEREAS, the Lessors have heretofore made and entered into a written lease and option under date October 1, 1956, as lessors with T. R. Baugh as lessee, said lease and option covering that certain mining property situate in the Yellow Pine mining district in the County of Valley, State of Idaho, consisting of six patented mining claims known as the "Fern Group", and

WHEREAS, the parties hereto desire to amend said lease, the same being to their mutual benefit,

NOW THEREFORE, it is agreed by and between the parties that the following amendments shall be made and become a part of said lease:

1. Mining royalty as referred to on Page 3, Section 5, shall read 7½%.

2. Minimum royalty payments as referred to on page 3 and 4 shall be as follows:

   Beginning in June, 1961, and for the years 1962 and 1963, lessee shall perform not less than forty (40) work shifts (a work shift as defined herein to constitute an eight hour day) per month during the months of July, August, September and October of each year, or in lieu thereof, pay to the lessors the sum of $800.00 per month such work shifts are not performed. Beginning in July, 1964, the minimum royalty payment shall be $500.00 per month.

3. The purchase price as referred to on page 4, section 3 shall read One Hundred Fifty Thousand ($150,000.00) Dollars.

II

That all other respects and provisions of said lease shall remain in full force and effect.

Dated this 8th day of June, 1961.

Robt Warberg
Lessor

Geo Warberg
Lessor

T. R. Baugh
Lessee

STATE OF IDAHO,)
:
COUNTY OF TWIN FALLS)

On this 8th day of June, 1961, before me, a Notary Public in and for said County and State, personally appeared GEORGE WARBERG and ROBERT WARBERG, brothers, 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 affixed my official seal the day and year in this certificate first above written.

W. H. Sliff
Notary Public for Idaho
Residence: Twin Falls, Idaho
Comm. Expires June 15, 1962

STATE OF IDAHO,)
:
COUNTY OF ADA)

On this 21 day of June, 1961, before me, a Notary Public in and for said County and State, personally appeared T. R. BAUGH, 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 affixed my official seal the day and year in this certificate first above written.

Emma H. Hunt
Notary Public for Idaho
Residence: Boise, Idaho

U. S. Government Messenger Envelope

rd Form No. 65 Rev. (1957)
gated by Bureau of the Budget Circular A-33 (Rev.)

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STOP only 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.

PROJECT SUMMARY REPORT

By: W. R. Griswold April 10, 1964

1. OME-6133 (Mercury)
Contract 2134

Property: Fern Cinnabar Group
Valley County, Idaho

Operator: T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Operator's Property Rights: Lessee, Mining Lease and Option October 1, 1956; Amendment to Lease June 1, 1961; Lien and Subordination Agreements dated June 28, 1961

2. Contract dated December 22, 1961

Work Authorized:

Bulldozing, 32 hours	$680.00
Diamond drilling, 1500 ft.	17,830.00
Total Estimated Cost	$18,510.00
Government's share, 50%	$ 9,255.00

Amendments - None

Work Completed:

Bulldozing, 26 hours	$390.00
Diamond drilling, 1500 ft.	16,313.27
Total Cost of Project	$16,703.27
Government's share, 50%	$ 8,351.63

Work completed September 1962

Final Reports:

Operator's Final Report - Requirement waived
Field Final Report dated April 1964

3. Report of Review dated May 17, 1963

4. Certification - None

5. Comments:

The project was a complete bust and we would recommend no more work on this property.

W. R. Griswold, Chief
Division of Minerals

WRGriswold/mm
cc: Director's Reading File
Docket

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

___ Certified
No

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator T.R. Baugh

Actual Cost X

State Idaho

Agreed Unit Cost

Final Report of Audit

Commodity mercury

Docket No. OME-6133

Final Report of Review 5-17-63

Contract No. 2134

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
~~Drifting~~ & ~~Crosscutting~~ Bulldozing	32 hrs	680	26 hrs	390.	
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond	1500'	17,830		16,313.27	
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		18,510.			2/ 16,703.27
		Government			8,351.63

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by W. R. Truswell Date 4-10-64

41725

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Brownell	500
4/10	Talbot	800
	Selfridge	120
4/10	Jackson	110
"	[illegible]	100
		220

APR 13 1964

Mr. George Warberg
604 Main Street, South
Twin Falls, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group of Claims
Valley County, Idaho
Contract 2134

Dear Mr. Warberg:

Enclosed is a copy of a self-explanatory letter of today to T. R. Baugh, under the subject contract.

This correspondence relates to the Lien and Subordination Agreements dated June 28, 1961, signed by you.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
4/11/64
cc: Director's Reading File
Region I
Docket
Code 500

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Swanson	500
4/10	Talbert	800
	Selfridge	120
4/10	Johnson	110
4	[illegible]	100
		220

APR 13 1964

Mr. Robert Warberg
438 Alturas Drive
Twin Falls, Idaho

Re: GME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group of Claims
Valley County, Idaho
Contract 2134

Dear Mr. Warberg:

Enclosed is a copy of a self-explanatory letter of today to T. R. Baugh, under the subject contract.

This correspondence relates to the Lien and Subordination Agreements dated June 28, 1961, signed by you.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
4/11/64
cc: Director's Reading File
Region I
Docket
Code 500

23263

UNITED STATES

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

REGION I

FINAL REPORT

Contract 2134

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 7 1964

DATE	INITIALS	CODE

by

Donald R. MacLaren

Geologist

U. S. Geological Survey

T. R. BAUGH
3620 Sycamore Drive
Boise, Idaho

Docket No.:	OME-6133
Commodity:	Mercury
Contract date:	December 22, 1961
Completion date:	September 30, 1962

FERN CINNABAR GROUP
Yellow Pine Mining District
Valley County, Idaho

Spokane, Washington

April 1964

FINAL REPT.

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GEOLOGY	2
History and Development	3
THE PROJECT	4
Summary of Factual Data	6
Future Exploration Possibilities	7

ILLUSTRATIONS
(In pocket)

Location Map

Plate 1. Geologic map of the Fern group showing tunnel, trench, and drill hole locations

FINAL REPORT

T. R. BAUGH
Fern Cinnabar Group
Yellow Pine Mining District
Valley County, Idaho

Contract 2134

* * * *

INTRODUCTION

This report describes a project conducted jointly by the Office of Minerals Exploration and T. R. Baugh, an individual, to explore for mercury ore on the Fern Cinnabar Group of Claims, Valley County, Idaho. A prior contract, No. Idm-E1217, Docket No. DMEA-4993, was rescinded before work was commenced.

Summary

The project work completed consisted of 26 hours of bulldozing access roads and drill stations, diamond drilling 5 holes aggregating 98 feet of NC size core and 1,402 feet of NX size core, and 241 feet of reaming and casing. Although there was no claim made for assaying cost, nine samples were assayed for mercury.

The total cost of the project as billed by Operator and approved by audit was $16,703.27, of which the Government's participation was 50 percent or $8,351.63.

Recommendations

Only a few small scattered low-grade mercury showings were found and it is therefore recommended that no certification of discovery be made. It is also recommended that no further Government funds be spent to explore this property unless strong evidence of a potential ore discovery is found.

PROPERTY, LOCATION AND ACCESSIBILITY

The Fern Cinnabar Group comprises six patented claims as follows:

Claim	Survey No.	Claim	Survey No.
Fern	3020	Bucks Bed	3020
Fern No. 2	"	Bucks Bed No. 1	"
Fern No. 4	"	Spruce Grove	"

The property is in T. 18 N., R. 10 E. (unsurveyed), at the head of Fern Creek, a tributary of the East Fork of the South Fork of the Salmon River (see location map).

The nearest shipping and supply points are McCall, Idaho, about 80 miles distant and Cascade, Idaho, about 86 miles away. From either of these towns on State Highway 15, fair-to-good gravel roads lead to the settlement of Yellow Pine, 62 miles from Cascade and 56 miles from McCall. From Yellow Pine proceed 18 miles to Stibnite, thence follow the Thunder Mountain Forest Service road for about 3.5 miles up Fern Creek to a bridge; here turn left and follow a poor-to-fair mine road for about 2.5 miles to the property.

GEOLOGY

The geology of the area is described in the following:

Livingston, D. C., 1919, Tungsten, cinnabar, manganese, molybdenum and tin deposits of Idaho: Univ. of Idaho School of Mines, Bull. 2, v. XIV, p. 54-65.

Larsen, E. S., and Livingston, D. C., 1920, Geology of the Yellow Pine cinnabar mining district, Idaho: U. S. Geol. Survey Bull. 715, p. 79-80.

Schrader, Frank C., and Ross, Clyde P., 1926, Antimony and quicksilver deposits in the Yellow Pine district, Idaho: U. S. Geol. Survey Bull. 780, p. 156-163.

Oberbillig, Ernest, 1959, Fern mine drilling project: Docket No. DMEA-4993.

Bressfield, John C., 1958, Ore occurrences and geology of the Fern Cinnabar Group, Valley County, Idaho: Docket No. DMEA-4993.

Wagner, Warren R., 1960, Mining geology of the Fern mine, Valley County, Idaho: Docket No. OME-6133.

Rocks in the area are altered and metamorphosed sedimentary rocks of Paleozoic age which represent a roof pendant in surrounding and underlying granitic rocks of the Idaho batholith.

Dolomitic and crystalline limestone, 400 to 700 feet thick, is flanked by thick beds of barren quartzite. The contact between the limestone and quartzite beds strikes N. 35°-40° W. and dips 40°-50° NE. (pl. 1). A dike of rhyolite porphyry, 50 to 60 feet thick, striking N. 55° E. and dipping 40°-45° NW. cuts across the meta-sedimentary beds on the Spruce Grove and Fern claims.

Vertical to steeply dipping joints strike N. 10° E., N. 25° E., N-S and E-W. Wagner (1960) holds that the intersections of one joint set with another or with fractures and faults form breccia or fracture zones that control or localize the ore. Oberbillig (1939) believes that emplacement of the dike cracked and broke the limestone beds to allow penetration of the mineral solutions. This could be true near the dike where most of the mining has been done, but it hardly explains cinnabar-bearing seams observed in the Bucks Bed claim some 1,300 feet from the dike.

According to Schrader and Ross (1926) the crystalline limestone contains lenses and irregular masses of siliceous material. Cinnabar occurs in these and in adjacent limestone. Where seen by the writer, cinnabar occurs as veinlets or "paint" in lenses and bands of cherty and chalcedonic limestone, as veinlets in shear zones and lenses of brecciated crystalline limestone and as small crystals in cavities and along open fractures.

History and Development

The Fern claims were located in 1917 and a small amount of development work was done from that year through 1919. In 1928 the mine was again worked for a short time after which it lay idle until 1936. In addition to small discovery pits and a few trenches development comprises three tunnels (pl. 1). The total reported production is 35 to 40 flasks of mercury.

Near the southeast corner of the Bucks Bed claim a tunnel was driven northerly about 240 feet. About 120 feet from the portal a drift was driven 130 feet northwesterly to northerly. Examination of this tunnel revealed only occasional traces of cinnabar mostly as "paint" along seams in cherty limestone.

Near the center of the Fern claim a tunnel was driven about 95 feet at a bearing of N. 35° E. along the largest known ore body on this property. Most of the ore appears to have been mined by a stope 60 feet long, 10 feet high and 4 feet wide. Except for a few small lenses, pods, and stringers of ore in the back of the stope and a lens of ore from 0.5 to 1.0 foot wide at the face, the vein nearly pinches out in all directions from the stope. About 60 feet vertically below this tunnel is a more extensive working. The lower tunnel was driven on a bearing of N. 25 E. for 130 feet where it "Y's." One drift was driven N. 45° E. for about 200 feet and 2 drifts, 20 and 60 feet long, were driven northwesterly from it. The other drift was driven about 160 feet in a northwesterly direction. In the northwesterly split, about 25 feet from the "Y," a drift was driven about 120 feet in a westerly direction. When these workings were inspected, only an occasional "paint" smear or hairlike stringer of cinnabar was seen.

THE PROJECT

This property was the subject of a DMEA contract that was rescinded before any work was done (Docket No. DMEA-4993). The DMEA application was received April 23, 1958, and because of the altitude at which the property lies, about 8,000 feet, a contract was executed without prior field examination. However, the contract provided that work could not begin until an examination had been made. The first examination was made July 9 and 10, 1958, at which time it was concluded that there was not sufficient evidence of a specific target for exploration. The Operator concurred and requested that the contract be kept open until he could do some bulldozing. This was done without disclosing a promising target and the contract was rescinded. The second examination was made September 18, 1961.

Since recission of the former contract the Operator stripped a considerable part of the Bucks Bed claim by at least 6 trenches, some of them as much as 10 feet deep on the uphill side (pl. 1). The trenches exposed several sheeted zones in which small lenticular pods of cinnabar were seen. Also observed were a few small irregularly shaped areas in which occurred disseminated specks of cinnabar. Along some of the shear faces cinnabar as "paint" was associated with iron oxide. Although these various types of cinnabar occurrences were found in each trench, none of them could with certainty be traced from trench-to-trench; indeed some could be found only in one wall. Although the ore shoots appeared to be small and irregular in shape, some of them were high grade.

Because of the proximity of the claims to the Hermes mine of the Holly Corporation, a producer of some 20,000 flasks of mercury, the widespread occurrence of cinnabar and the generally favorable

environment for the formation of ore bodies, it was concluded that limited diamond drilling might be warranted. However, because of the erratic occurrence and the small size of the one ore shoot that had been mined from the upper tunnel on the Fern claim, it was recognized that a limited drilling program would be a fairly long shot.

Even though none of the cinnabar structures could be traced with certainty from trench-to-trench, they appeared to occur in three zones. As mentioned above, there are scattered cinnabar showings -- perhaps traces is a better term -- between the zones, so that it was also recognized that the entire area from the first through the third zone might be considered as a potential target area.

Five holes were diamond drilled at about -45° from stations and in the directions shown on plate 1. The depths to which the holes were drilled were:

DDH No.	Depth (feet)	DDH No.	Depth (feet)
1	304	4	300.5
2	359	5	240.0
3	300		

Occasional knifelike seams of cinnabar, vugs with 1 or 2 colors, and "paint" stains were found in each hole, but in only 1 place was cinnabar approaching ore width and grade found. From Hole 2 a sample of core recovered between 327 and 332 feet assayed 23.3 pounds mercury per ton. Eight other samples were taken from interesting looking segments of core from the various holes. Of these, 1 assayed 4.1 pounds mercury per ton and the other 7 ranged from 0.2 to 1.2 pounds per ton.

Summary of Factual Data

Work authorized by the contract on an actual cost basis and completed was:

Item	Units authorized	Units completed	Unit cost	Total cost
Category (1)				
Bulldozing	32 hrs	26 hrs	$15.00	$ 390.00
Diamond drilling: NX or larger	1,500 ft	1,500 ft	$ 8.75	13,125.00
Reaming and casing	300 ft	241 ft	$ 3.70	891.70
Transportation of drill	Job	Job		850.00
Category (2)				
Engineer-Supervisor	2½ mos	53 days	$20.69	1,096.57
Category (3)				
Core boxes	75 ea	70 ea	$ 5.00	350.00
Total cost				$16,703.27

Total amount of contract (rounded)	$18,510.00
Government participation at 50 percent	9,255.00
Total amount spent	$16,703.27
Government participation	8,351.63
Total amount unexpended	$ 1,806.73
Government share unexpended	903.37

Future Exploration Possibilities

The Fern claims are adjacent to those of the Holly Corporation whose Hermes mine has produced some 20,000 flasks of mercury; rock relationships are the same on both claim groups; small scattered occurrences of high-grade cinnabar have been found in trenches and tunnels on the Fern claims, and colors can be panned almost anywhere on the claims; finally, 35 to 40 flasks of mercury have been produced. Considering these facts and the fact that all exploration and development, except for the 5 drill holes on the Bucks Bed claim, have been done within about 60 feet of the surface, the possibility of finding an ore body on this claim group, although rather slim, cannot yet be completely ruled out.

Prospecting and bulldozing on the other claims might conceivably disclose a mineralized structure or zone of sufficient promise to warrant further exploration. Unless such additional prospecting is done with very good results, no further drilling or tunneling is warranted.

Enclosures
Distribution:
OME(3)
USGS(SRO)
Docket
MacLaren

Lead, Copper, Zinc
Region III

County, Colorado.
Memorandum to the Field Officer relating to royalty payable under the contract.

OMR-6143
Contract 2130
Silver-Lead-Zinc
Region III

FARRYS EXPLORATION COMPANY, DENVER, COLORADO.
Bulldog Mountain Property, Mineral County, Colorado.
Teletype to the Field Officer requesting that the Termination Agreement forwarded for the Operator's signature be expedited.

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 7 1964

DATE	INITIALS	CODE

OFFICIAL FILE COPY
RECEIVED
DATE

Husvold 500

No. 157 Howard Street
Spokane 4, Washington
May 27, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, Region I

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Enclosed is the original of a Report of Review dated May 17, 1963, covering the subject contract, together with the Operator's final voucher, original and two copies.

One copy of the Report of Review has been mailed to the Operator, and one copy has been retained for the Spokane office files.

D. R. MacLaren

Enclosures

DRMEnclosures:ny

cc: OME(2)
CAAA
CFF

Reading copies to:
Nelson
McKelvey

MME FORM 6
REV. 2

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
TO:	Chief, Div. of Fld. Operations	4/2/64	
1.			
2.			
3.			
4.			
5.	D. R. MacLaren		
FROM:	Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

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

REMARKS:

Three copies--Final Report
OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

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

M56300-62

OFFICIAL FI
C
RECEIVED
DATE

So. 157 Howard Street
Spokane 4, Washington
May 27, 1963

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract #154

Dear Mr. Baugh:

We are enclosing one copy of a Report of Review dated May 17, 1963, covering your OME contract.

Your final voucher has been submitted to our Washington, D. C., office, from which payment will be mailed to you.

Sincerely yours,

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

Enclosure

DRMacLaren:my

cc: OME(2)
CAA
CPF
Reading copies to:
Mahon
McKelvey

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/17	[illegible]	220
	[illegible]	500

MAY 17 1963

Memorandum

To: Acting Field Officer, Region I

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

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group of Claims
Valley County, Idaho
Contract 2134

As requested by your May 14 memorandum, a Report of Review in lieu of a final audit has been prepared for the subject contract. If you concur in the facts stated therein, the enclosed original and two copies should be distributed in accordance with section 4 of OME Circular 2.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

The original of the July, August, and September 1962 MME Form 60 with attachments is returned.

Enclosures

EDTalbert/ama 5-17-63

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

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 14, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 16 1963

DATE	INITIALS	CODE
5/17	[illegible]	800
		500

Memorandum

To: Chief, Contract Administration and Audit Division

From: Acting Field Officer, Region I

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Work under the subject contract was completed September 30, 1962.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

Bulldozing access roads and drill sites	26 hours
Diamond Drilling	1,500 feet

The requirement for an Operator's final report has been waived.

A Report of Review in lieu of a final audit is in order and requested. For this purpose, the original copies of a final (July-August-September, 1962) MME-60 and MME-61, together with supporting documentation, are attached.

D. R. MacLaren

D. R. MacLaren

Attachments

MME FORM 61
SEPT. 1959

OME
JUN 14 1963

RECEIVED
MAY 9 1963
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of July, August and September, 1962

Docket No. 6133

Operator's Name T. R. Baugh

Contract No. 14-23-090-2134

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground	~~1500~~						
Drilling, Core-Diamond	1500		1500	13,125.00	1500	1500	13,125.00
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Bulldozing	26		26	390.00	26	26	390.00
Miscellaneous							
Mobilization	1		1	850.00	1 job	1	850.00
Reaming & Casing	241		241	891.70	241	241	891.70
Roads and Trails							
Core Boxes	70		70	350.00	70	70	350.00
Stripping							
Supervision	53		53	1096.57	53	53	1096.55
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				16703.27			

REMARKS

(Continue on back)

REMARKS

By phone May 9, Operator stated that project work was on a 29-day month, that his certification "-- to Sept 30" should be "-- Sept 29" and that he did not work Aug. 21, Aug. 30, or Sept. 29

over

(Continue on back)

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

Date 5-7-63 Operator T. R. Baugh

Per _____ Title _____

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

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

Signature D. W. McKeever

Title Acting Field Officer
Government Representative

Date MAY 14 1963

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

Times

July $\frac{4}{29} \times \$600 = \$82.76$

Aug $\frac{21}{29} \times \$600 = 434.48$

Sept $\frac{28}{29} \times \$600 = 579.31$

$\$1,096.55$

Operator used daily rate of $\frac{\$600}{29} =$
$\$20.69 \times 53 = \$1096.57$

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

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

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

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

MME FORM 60
SEPT. 1959

RECEIVED
MAY 9 1963
U S G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of July, August and September, 1962

Operator's Name T. R. Baugh
Address ~~3620 Sycamore Drive, Boise, Idaho~~

Docket No. 6133
Contract No. 2134
14-23-090- ~~18,510.00~~
Contract Amount $ 50 ~~9255.00~~
Gov't. Participation % $ ~~Mercury~~
Mineral(s)

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:		390.00	390.00			
Bulldozing						
Drifting						
Crosscutting		~~15216.70~~	~~15,216.70~~			
Drilling						
(2) Personal Services:			1,096.57			
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS		~~15,606.70~~	~~16,703.27~~	16,703.27	—	16,703.27

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

Date 5-7-63 *Payee T. R. Baugh

Per _____ Title Operator

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 8,351.63

Signature BWB
(Authorized Certifying Officer)

Date 6/3/63 Vou. No. 6363

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2134

Signature O.K. Macharen Title Acting Field Officer Date MAY 14 1963

Approved by OME Executive Officer or Alternate:

Signature O.K. Macharen Title Acting Field Officer Date MAY 14 1963

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

DRILLING PROGRESS —July & August
1962

The writer, T. R. Baugh, met with Jack A. Walker of Yellow Pine on the property in the late afternoon of July 17th, Mr. Walker having walked the "Cat" from Logan creek to Fern Creek, a distance of from 18 to 20 miles, in lieu of transporting the TD18A tractor by truck. Initial dosing on the 19th prepared the access roads to the drill sites and preparation of the drill sites themselves was begun on July 20th. It was soon evident that the terrain made it impossible to locate the holes exactly where designated insofar as holes numbered DDH 1, DDH 2 and DDH 3 were concerned inasmuch as it was impossible to operate in the creek bottom. Therefore, the sites were made just above the creek level in line with the original designation. Drill sites were completed on July 21st.

Nichols Drilling Company crew arrived on the property on August 8th but because of setting up time, equipment break-down and repair, actual drilling was not started until August 14th at which time operations were begun at the site of DDH 3. Coring was begun with an NC bit in the overburden and of the 13' drilled, the first day a recovery of 5' of core was made. Through August 16th a total of 83' of depth had been obtained with a recovery of almost 100% except for the initial loss in overburden. Drilling was ina more or less barren lime with no particular trouble except that water return was lost at 33'. NX coring was begun at 38' depth and continued to a bottom of 300'. It should be noted that core recovery was excellent as the drill encountered very little of the faulted and broken-up zones as indicated on the surface. A very small amount of cinnabar was occasionally observed in the lime as "paint" but obviously no mineral of commercial value was recovered.

Drilling was begun on hole DDH 2 on August 25th on a two-shift basis as it was felt that one crew could not finish the program before bad weather set in.

After going through the overburden Hole DDH 2 began to show some promise of the surface indications as large sections of a highly altered, soft, talcy material were encountered. At 70½' to 75½' no core was obtained as the bit encountered iron-stained, honeycombed chert containing cinnabar. However, the sludges were so diluted it was felt they would have no assay value. In view of the core loss in this instance it was decided to redrill 70' at a 30° attitude after the intial hole was abbottomed. This was subsequently done at the writer's expense but nothing of particular importance was accomplished, the drill not penetrating a material similar to that contained in the sludges.

Signed_____

OME-6133 (mercury)
Fern Cinnabar Group
Valley County, Idaho

DRILLING PROGRESS
September, 1962

The drilling of hole DDH 2 was continued to a depth of 296' at which time the cores showed consistently the presence of cinnabar. Because of the presence of mercury drilling was continued to a depth of 359' before bottoming in barren lime. Ore of commercial value was found at a depth of 327', a 5' section subsequently assaying 23.3 lb. of mercury per ton.

Before starting Hole DDH 1, the writer called D. R. MacLaren at Spokane and requested permission to align this hole nearly parallel with DDH 2 in order that a somewhat larger area could be prospected. Permission was granted and drilling started on September 5th. Drilling was very similar to Hole DDH 2, with appreciable cinnabar disclosed at approximately 260' of depth. Again, cinnabar was visible in very small amounts wherever a chalcedonic material was encountered, but with the exception of the notation above, the hole was generally disappointing.

At this point, drilling was very rapid with good core recovery but as it was impossible for the writer to be on the site at the time DDH 4 was started, it was later learned that the alignment stake had been misplaced or lost and the hole drilled at an angle not wholly corresponding with the original intent. However, it is believed this deviation will have little bearing on the geological picture as a whole. Again, because of excellent drilling conditions, progress was rapid and the hole bottomed in good time. No appreciable cinnabar was noted in any of the core but the existence of a parallel structure, as predicted by Mr. MacLaren, was proven and contained appreciable amounts of chalcedony, iron staining, etc., but where the structure was cut it contained no cinnabar.

In order that the maximum footage not exceed 1500', Hole [illegible] was cored to a depth of 240'. In nearly all respects it corresponded to hole DDH 4 with no appreciable cinnabar in evidence.

The drilling program was completed on September 30th.

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: DDH 1 SHEET 1 OF 2

PROJECT NAME: OMB-6133 (Mercury)

LOCATION:

PROJECT LOCATION: Valley County, Idaho

ELEVATION:

DATE STARTED: 7-16-62 FINISHED: 9-30-62

DIP:

SIZE:

REMARKS:

DEPTH		CORE			Sample No.	ASSAY		Classification	Remarks
From	To	Inch Drill	Inch Recov	% Recov		Core	Sludge		
0	15			35				Quartzitic lime--brittle	
15	19			33				Gray lime with schistose appearance	
19	20			60				Quartzitic lime	
20	21			95				Gray lime, schistose appearance	
21	24			55				Soft, brown clayey material, bits of quartzite	
24	27			100				Soft, green colored gouge, schistose appearance	
27	41			100				Light gray talcy material with schistose appearance. Nothing like this in other holes.	
41	46			100				Same as above	
46	49			80				Similar to above but harder and coarser material with iron staining	
49	53½			100				Hard quartzitic material grading to soft gouge in last 18".	
53½	67			85				Soft yellowish lime with pink staining (Not [redacted]) and pieces of sheared material Hg	
67	72			100				Same as above	
72	75			100				Pure white talc	
75	80			95				White talc with iron stain banding, staining beginning to predominate	
80	81			100				Same as above	
81	83			100				A band of hard white lime	
83	87			95				Soft gray material with specks of iron oxidation grading into blackish streaks indicating manganese	
87	91			60				Soft bands of white lime grading into bands of iron-stain and possible manganese stain	
91	94			100				Soft iron-stained material with mottled white	
94	102			100				Hard white lime	
102	102½			100				Heavily oxidized material with bits of chert--[redacted] visible in small amount with aid of glass Hg	
102½	114			100				Barren white lime	
114	124			100				Hard barren white lime except for 2" of soft, iron-stained material at 120'	
124	132			100				Hard white lime	

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: DDH 1 SHEET 2 OF 3

PROJECT NAME: OME-6133 (Mercury)

LOCATION:

PROJECT LOCATION: Valley County, Idaho

ELEVATION:

DATE STARTED: 7-16-62 FINISHED: 9-30-62

DIP:

SIZE:

REMARKS:

DEPTH		CORE			Sample No.	ASSAY		Classification	Remarks
From	To	Inch Drill	Inch Recov	% Recov		Core	Sludge		
132	132½			100				Heavily iron-stained lime with dark crystals	
132½	134			100				Softer iron-stained lime	
134	140			100				Soft yellowish lime—good core	
140	153			100				Hard white lime with brown mottling	
153	174			100				Barren white lime	
174	204			100				Barren white lime	
204	205			100				White and iron-stained talcy material	
205	206			95				Gray and white gouge	
206	212			100				Iron-stained lime, generally hard but with bands of softer material	
212	214			100				Barren white lime	
214	218			50				Broken, honeycombed cherty material—No Hg visible	
218	235			100				Barren white lime	
235	256			100				" " "	
256	257			80				Softer, iron-stained lime	
257	258			100				Hard, barren lime	
258	261			100				Honeycombed chert with crystalline Hg visible to naked eye	
261	264			100				Extremely dense, milky quartz or chert with small amount Hg visible with glass	
264	304			100				Barren white lime (marble?)	

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: DDH 2 SHEET 1 OF 4

PROJECT NAME: OME 6133 (Mercury)

LOCATION:

PROJECT LOCATION: Valley County, Idaho

ELEVATION:

DATE STARTED: 7-16-62 FINISHED: 9-30-62

DIP:

SIZE:

REMARKS:

DEPTH		CORE			Sample No.	ASSAY		Classification	Remarks
From	To	Inch Drill	Inch Recov	% Recov		Core	Sludge		
0	5			0				No core--overburden	
5	9			25				Overburden	
9	10			50				Brown & white talcy material	
10	15			25				Quartzitic material grading into brown mud	
15	20			25				Brown & white fault gouge with bits of chalcedonic material	
20	22			50				Cherty material with minute specks visible with glass	
22	24			90				Iron & manganese stained fault gouge	
24	25			100				Hard white lime	
25	28			100				Soft, brown gouge	
28	29			100				Hard white lime	
29	29½			100				Soft, iron-stained gouge	
29½	30½			100				Hard white lime	
30½	32½			100				Brown mottled gouge	
32½	34			100				Hard white lime	
34	35			100				Altered talcy material	
35	37			100				Hard white lime	
37	38			100				Soft, brown gouge	
38	39			100				White lime	
39	43			100				Fault gouge, smooth & shiny surface	
43	44			100				Same as above	
44	45½			80				Brown & orange colored gouge	
45½	49			100				Hard white lime	
49	52			100				Hard white lime	
52	54			100				Soft gray & brown talc	

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: DDH 2 SHEET 2 OF 4

PROJECT NAME: OME-6133 (Mercury)

LOCATION:

PROJECT LOCATION: Valley County, Idaho

ELEVATION:

DATE STARTED: 7-16-62 FINISHED: [illegible]

DIP

SIZE:

REMARKS:

DEPTH From	DEPTH To	CORE Inch Drill	CORE Inch Recov	CORE % Recov	Sample No.	ASSAY Core	ASSAY Sludge	Classification	Remarks
[illegible]	64½			100				Hard white lime	
64½	70½			95				Hard white lime	
70½	75½			0				No core	
75½	77½			80				Brecciated, honeycombed & iron stained chert [redacted] visible to naked eye	
77½	80			100				Soft gouge material with one 10" band of yellowish lime	
80	83			100				Iron-stained gouge with layers of sanded lime	
83	90			100				Hard white lime	
90	120			100				Predominantly white lime with streaks of iron stain, containing light green crystals	
120	120½			100				Brown gouge	
120½	132½			100				White lime mottled with iron stain	
132½	143			100				Yellowish lime, some of it sandy in character	
143	152			100				Yellowish lime	
152	154			90				Honeycombed chert--no [redacted] visible to naked eye	
154	160			100				Same as above with [redacted] visible as "paint"	
160	163½			100				Iron & manganese stained gouge with 4" to 6" bands harder material	
163½	170			80				Alternate bands chert with iron stained lime	
170	175			100				Barren white lime	
175	188½			100				Hard, barren lime	
188½	198½			100				Lime with some iron staining	
198½	203			100				Barren lime	
203	204			85				Heavily iron-stained lime with chert	
204	206			100				Sanded iron-stained lime	
206	209			100				Very hard lime with some iron coloration	
209	216			100				Barren lime	

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: DDH 2 SHEET 3 OF 4

PROJECT NAME: OME-6133 (Mercury)

LOCATION:

PROJECT LOCATION: Valley County, Idaho

ELEVATION:

DATE STARTED: 7-16-62 FINISHED: 9-30-62

DIP:

SIZE:

REMARKS:

DEPTH		CORE			Sample No.	ASSAY		Classification	Remarks
From	To	Inch Drill	Inch Recov	% Recov		Core	Sludge		
216	216			100				Honeycombed lime, no Hg visible	
216	218			100				Barren white lime	
218	219			100				Yellow lime	
219	222			100				Hard limestone	
222	222			100				Chalcedony, some Hg visible	
222½	227			100				Hard, barren lime	
227	228			85				Porous chalcedony with Hg visible with glass	
228	239			100				Iron-stained lime tending to sand in core box	
239	249			100				Mottled lime with purplish cast	
249	250			100				Same as above	
250	297			100				Barren white lime	
297	302	60	55	92	1	1.2		Chalcedonic material, Hg visible as "paint" particularly where honeycombed	
[redacted]									
302	307	60	60		2	4.1		Chalcedony, visible Hg	
307	312	60	52		3	1.0		" " "	
312	317	60	50		4	0.2		Chert	
317	322	60	48		5	1.0		Chert	
322	327	60	56		6	0.3		Chert	
327	332	60	55		7	23.3		Chert with one foot band milky quarts, crystalline cinnebar	
332	337	60	58		8	0.4		Chert	
337	341	48	46		9	0.4		Cherty lime	
341	344			100				Iron-stained lime with Hg visible as "paint"	
344	359			95				White marble with some iron-stained, sanded sections--No Hg visible	

DRILL LOG

[illegible] SHEET 1 OF 3

PROJECT NAME: [illegible]

LOCATION: _____

PROJECT LOCATION: [illegible]

ELEVATION: _____

DATE STARTED: 7-16-62 FINISHED: _____

ZIP _____

SIZE: _____

REMARKS: _____

DEPTH		CORE			Sample No.	ASSAY		Classification	Remarks
From	To	Inch Drill	Inch Recov	% Recov		Core	Sludge		
	[illegible]			20				Sandy yellow lime	
	[illegible]			10				Same as above	
[illegible]	[illegible]			10				Sandy lime	
[illegible]	15			60				Sandy lime	
[illegible]	[illegible]			95				Yellowish lime	
	[illegible]			80				Yellow lime, very sandy	
	[illegible]			90				Soft yellow lime	
	[illegible]			80				Lime with bands of cherty material	
	[illegible]			75				Narrow bands of chert; some [redacted] with glass	Hg
	[illegible]			100				Soft, mottled [illegible] lime	
	[illegible]			[illegible]				Sandy lime	
				[illegible]				Sandy white lime	
				[illegible]				White yellow lime	
				[illegible]				Sandy [illegible] yellow lime	
				[illegible]				Impregnated sandy lime	
[illegible]	[illegible]			90				Impregnated lime with [illegible] of chalcedony	
	[illegible]			[illegible]				Sandy [illegible] sandy lime	
				[illegible]				Sandy white chert [illegible]	
[illegible]	[illegible]			100				Brown lime with spots of [illegible]	Hg
	[illegible]			100				White lime with inclusions of chert [illegible] [redacted] visible on end of core at [illegible]	Hg
[illegible]	[illegible]			90				Metamorphosed lime with chert inclusions	
[illegible]	[illegible]			75				Heavily metamorphosed cherty material [redacted]	Hg
[illegible]	[illegible]			85				Cherty material [illegible]	
[illegible]	[illegible]			[illegible]				Yellow lime	

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: [illegible] SHEET 2 OF 3

PROJECT NAME: OME-6133 (Mercury

LOCATION:

PROJECT LOCATION: Valley County, Idaho

ELEVATION:

DATE STARTED: 7-16-62 FINISHED: 9-

DIP:

SIZE:

REMARKS:

DEPTH From	DEPTH To	CORE Inch Drill	CORE Inch Recov	CORE % Recov	Sample No.	ASSAY Core	ASSAY Sludge	Classification	Remarks
[illegible]	110			95				Yellowish lime with network of charty inclusions	
[illegible]	112			100				Same as above	
[illegible]	120			95				Barren brown lime with charty inclusions	
[illegible]	122			90				Hard, iron stained lime	
[illegible]	125			90				Soft yellow lime, sanded	
125	127			90				Soft yellow lime	
[illegible]	129			100				Hard yellowish lime with chert bands showing some [redacted] Hg	
[illegible]	133			95				Brown lime with charty inclusions	
[illegible]	[illegible]			75				Iron stained, broken lime with bits of chert	
[illegible]	138			80				Broken chalcedonic material	
[illegible]	[illegible]			75				Clayey material with pieces of chert	
[illegible]	149			85				Iron stained lime with chert, manganese stain, small amounts [redacted] Hg	
[illegible]	153			80				Brown & yellowish lime	
[illegible]	[illegible]			100				Yellowish lime with bits of chert	
[illegible]	158			80				Barren white lime	
[illegible]	[illegible]			90				" " "	
[illegible]	[illegible]			95				Yellow lime, some sanding	
[illegible]	178			90				Barren white lime with spots of iron	
[illegible]	188			95				Yellow lime	
188	193			95				Yellow lime	
[illegible]	195			75				Highly altered brown gouge	
[illegible]	199½			70				Soft, sanded yellow lime	
[illegible]	208			75				Same as above	
208	210			95				Hard white lime	

Boise, Idaho

DRILL LOG

Hole No. 3 SHEET 3 OF 3

PROJECT NAME: OME-613; (Mercury)

PROJECT LOCATION: Valley County, Idaho

DATE STARTED: 7-16-62 FINISHED: [illegible]

SIZE:

ELEVATION:

TIME:

REMARKS:

DEPTH From	DEPTH To	CORE Inch Drill	CORE Inch Recov	CORE % Recov	Sample No.	ASSAY Core	ASSAY Sludge	Classification	Remarks
[illegible]	216			95				Barren white lime	
[illegible]	217			50				Soft bright yellow lime with iron oxides	
[illegible]	230			95				White marble	
[illegible]	230			98				" "	
[illegible]	235			80				Generally white lime with spots of yellow [illegible]	
[illegible]	236			98				Iron stained lime	
[illegible]	242			95				Sanded brownish lime with calcite bands	
[illegible]	247			100				White marble	
[illegible]	250			95				Soft yellow lime (definite change in formation)	
[illegible]	255			95				Brown & yellow lime	
[illegible]	263			90				Yellow lime, tendency to sand	
[illegible]	270			95				Hard, white lime	
[illegible]	277			94				Barren white lime	
[illegible]	290			95				White lime with ribs of yellow lime	
[illegible]	300			98				Barren white lime	

DRILL LOG

SHEET ___ OF ___

PROJECT NAME: [illegible]

PROJECT LOCATION: [illegible]

DATE STARTED: 7-16-52 FINISHED: [illegible]

SIZE:

DEPTH To	CORE Inch Drill	CORE Inch Recov	CORE % Recov	Sample No.	ASSAY Core	ASSAY Sludge	Classification	Remarks
5			0				Overburden-no core	
51			100				Barren white lime	
57			100				Yellow lime with bright reddish orange staining--No [redacted] visible Hg	
79			100				Barren white lime	
135			95				" " "	
154			80				Sanded yellow lime	
161			100				Iron-stained lime	
168			100				" " "	
180			100				" " "	
171			100				Streaks of white fault gouge	
174			100				Barren white lime	
181			90				Sandy lime, yellow cast	
192			100				Yellowish lime with considerable orange-re staining--No [redacted] visible Hg	
204			100				Cherty conglomerate--No [redacted] visible Hg	
206			100				Cherty material--No [redacted] visible Hg	
206½			95				Soft, talcy material	
209			100				Hard, barren lime	
212			100				Very hard, iron stained lime with cherty inclusions	
215			100				Same as above	
222			80				Hard lime with some calcite crystals	
232			85				Iron-stained lime with streaks of light material giving marbling effect	
237			50				Honeycombed chert-No visible [redacted] Hg	
243			60				Same as above	
251			90				Iron stained lime--crushed pieces of chert	

SERRANO [illegible] MINE
[illegible] State Street
Boise, Idaho

DRILL LOG

HOLE NO: LDH 4 SHEET 2 OF 2

PROJECT NAME: OME-6133 (Mercury)

LOCATION:

PROJECT LOCATION: Valley [illegible]

ELEVATION:

DATE STARTED: 7-10-62 FINISHED: -

DIP

SIZE:

REMARKS:

DEPTH From	DEPTH To	CORE Inch Drill	CORE Inch Recov	CORE % Recov	Sample No.	ASSAY Core	ASSAY Sludge	Classification	Remarks
253	257			100				Soft yellowish lime with a great deal of pink coloring--No Hg visible	
257	268			85				Same as above	
268	271			90				Soft gray & white gouge material	
271	276			100				Soft yellow lime	
276	284			90				Very soft lime with one foot section of white and gray fault material	
[illegible]	293			85				Iron-stained charty material--No Hg visible	
293	300½			100				Barren white lime	

SERRANO MERCURY MINE
1310 State Street
Boise, Idaho

DRILL LOG

HOLE NO: DDH 5 SHEET 1 OF 2 (1)

PROJECT NAME: OME-6233 (Emerald)

LOCATION:

PROJECT LOCATION: Valley County

ELEVATION:

DATE STARTED: 7-16-62 FINISHED:

DIP:

SIZE:

REMARKS:

DEPTH From	DEPTH To	CORE Inch Drill	CORE Inch Recov	CORE % Recov	Sample No.	ASSAY Core	ASSAY Sludge	Classification	Remarks
[illegible]	10			60				Soft brown & yellow lime	No Hg
[illegible]	20			95				Hard white lime with iron staining	
[illegible]	23			90				Hard white lime except for last one foot, [redacted] stain in chert	
23	29			50				Marbled chert grading into heavily iron-st[illegible] lime with some [redacted] visible with glass	
[illegible]	39			100				Hard, white lime—no [redacted] Hg	
[illegible]	49½			100				White lime with some iron stain	
[illegible]	70			100				Same as above	
[illegible]	80			100				Barren white lime, iron staining	
80	90			100				Hard lime with considerable iron stain	
[illegible]	110			100				White lime, some iron stain	
[illegible]	120			100				Same as above	
[illegible]	124			100				Same as above	
[illegible]	124½			100				Chert stringers—no [redacted] Hg visible	
124½	155			100				Pure white marble	
155	172			100				White lime void of [redacted] Hg	
172	195			100				Same as above	
[illegible]	199½			90				Change in formation—Softer iron-stained core with occasional chert stringers	
199½	204½			100				Dark brown stained, soft material with [illegible]taining minute [redacted] Hg in chert	
204½	215			100				White lime grading into light brown—n[illegible] [redacted] Hg visible	
215	240			100				Barren white lime	

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 14 1963
DATE	INITIALS	CODE

So. 157 Howard Street
Spokane 4, Washington
March 20, 1963

ORIGINAL FILE COPY
O. M. E.
RECEIVED MAR 22 1963
DATE
3/22 GWD 8.00
Grashell 5.00

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Dear Mr. Baugh:

Your "July & Aug., 1962," and "September, 1962," vouchers have been returned by the Contract Administration and Audit Division. A review of attachments has disclosed that only the $390.00 claimed for Category (1) bulldozing costs has been properly documented.

The invoice covering the Category (1) drilling includes 98 feet of NC, whereas the contract provides that all drilling shall be done with coring bits. Also the invoice does not identify the holes involved. The "July & Aug., 1962," narrative states that DDH No. 3 bottomed at 300 feet and that DDH No. 2 also was drilled, but the depth is not specified. Your letter of September 10, 1962, indicates that DDH No. 2 bottomed at 335 feet, but the drill log indicates that it bottomed at 339 feet.

A question has been raised as to the authenticity of the drilling invoice. With my letter of September 25, 1962, I returned the "July & Aug., 1962," vouchers for certain corrections. I quote part of the third paragraph of that letter: "Some of the items will be disallowed, but it is better to claim them as invoiced. . . . For example, the driller's invoice indicates that hole A was drilled 98 feet with a noncoring bit. . . . The driller's invoice also shows unit costs for NX drilling of $9.25 and $10.00 per foot for holes C and D, respectively." Apparently, you misunderstood my letter, as the driller's invoice which accompanied the resubmitted "July & Aug., 1962," voucher no longer contains those items--a point which I missed at the time.

All invoices should be true, even if prices are in excess of those allowable; and, if not the originals, carbons, or true reproductions (such as photostat, Ozalid, or Thermo-Fax copies), must be certified as specified in the last portion of the next to last paragraph on the back of OME Form 60.

The amounts claimed under Category (3) by you as a self-employed engineer-supervisor are supported by statements that you worked in connection with the contract for 4 days in July, 21 days in August, and 28 days in September. The dates on which you worked and the rate of self-employment remuneration must be specified. I had approved payment based on 4/31 x $600.00, 21/31 x $600.00 and 28/30 x $600.00 for July, August, and September, respectively, but these calculations should be on the basis of the actual number of working days in each month rather than on the number of days in each month. To clarify these points, you should certify as to:

1. The dates you actually worked on the project each month.
2. The actual rate of self-employment remuneration.
3. The total number of project work days in each month.

The amounts claimed under Category (4) for pickup truck rental would be calculated on the same basis unless it was used full time by the drillers and provided "rent" was actually paid at the rate shown on the invoice to a separate legal entity. However, it appears from the invoice that you own the pickup, in which case depreciation rather than rent would be appropriate. If you actually paid Baugh Insulation Company the rent shown on the invoice, a certification to that effect or a receipt on the invoice and a certification the pickup is owned by Baugh Insulation Company would document the claim.

Finally, the amounts claimed under Category (7) for self-employment tax are not acceptable costs under the contract. These are personal taxes based on personal income derived from sole proprietorships and partnerships and reportable on individual income tax returns. Although they are F.I.C.A. taxes, they are not the same as an "employer's" F.I.C.A. tax, which is allowable under the contract.

If you will justify the need to drill part of the holes NC and will clear up the question of actual ownership of the pickup, I will request a suitable amendment to the contract.

In the event that you may wish to combine the two vouchers into one, a set of forms is enclosed. This will require only one copy of each of the supporting documents above mentioned. I am holding the bulldozer invoice and the drill logs, which require no change, but am returning all other invoices. If you do not wish to combine the two vouchers, the claims on each must be supported as stated above before payment can be made.

Sincerely yours,

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

Enclosures
DRMacLaren:my
cc: OMH(2); CPF
Reading copies to:
Holman, McKelvey

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	[illegible]	500
	Selfridge	120
3/14	[illegible]	220
		500

MAR 1 4 1963

Memorandum

To: Acting Field Officer, Region I

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

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

By memorandum dated March 11 you recommended to the Chief, Division of Field Operations, that the requirement for a final report from the subject Operator be waived. You further requested that, if he concurred, the enclosed "September 1962" MME Forms 60 and 61 with attachments be referred to this Division for preparation of a Report of Review in lieu of a final audit.

Your recommendation has the concurrence of the Chief, Division of Field Operations. A Report of Review, however, is not in order at this time for the reasons set forth in my March 12 memorandum. That memorandum, which crossed in the mail with your March 11 memorandum, returned the "July & Aug. 1962" Forms 60 and 61 with the suggestion that a contract amendment may be in order.

The "September 1962" voucher and report also is returned because (1) some of the exceptions stated in my March 12 memorandum also apply to this claim, and (2) it seems desirable to keep both claims together. In fact, the Operator may desire to submit a consolidated revision.

Enclosures

EDTalbert/ama 3-14-63

cc:
Docket
Director's Reading File
CA & A Division
Mr. Talbert

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
March 11, 1963

OFFICIAL FILE COPY
O M E
RECEIVED MAR 13 1963

DATE		
		120
3/14		800
	Received	500

OK.

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Enclosed is a copy of the subject Operator's narrative report for September; the one for July and August accompanies the voucher for those two months. As the entire project is described in these two narratives and it is doubtful that any additional information will be gained by having the Operator combine them into an Operator's final report, it is recommended that this requirement be waived.

If you concur, kindly pass on to the Contract Administration and Audit Division the accompanying memorandum requesting a Report of Review in Lieu of Final Audit. However, should you not concur, please return the accompanying memorandum and voucher, as the memorandum would therefore not be factual and a request to withhold certain funds pending receipt of a final report would be in order.

I shall not authorize the Operator to dispose of the cores until I can take some check samples during my next swing into the Boise area.

D R MacLaren
D. R. MacLaren

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
March 11, 1963

Memorandum

To: Chief, Contract Administration and Audit Division

From: Acting Field Officer, Region I

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Work under the subject contract was completed September 30, 1962.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

Bulldozing access roads and drill sites	26 hours
Diamond drilling	1,500 feet

The requirement for an Operator's final report has been waived.

A Report of Review, in lieu of a final audit, is in order and requested. For this purpose, the original copies of a final (September, 1962) MME-60 and MME-61, together with supporting documentation, are attached.

D. R. MacLaren

Attachments

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 14 1963

DATE	INITIALS	CODE
3/14	[illegible]	800
		500

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Grenold	500
	Selfridge	120
3/12	Shelton	110
	Jones	100
3/12	Cole	220
		5001

MAR 1 2 1963

Memorandum

To: Acting Field Officer, Region I

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

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Enclosed are the original and two copies of the subject Operator's "July & Aug. 1962" MME Form 60, which you recently approved and submitted to the Department's Fiscal Section for payment. Because of doubts as to the adequacy of some of the documentary evidence of actual costs, the Fiscal Section in turn referred the enclosures to this Division.

A review of the attachments has disclosed that only the $390.00 claimed for Category (1) bulldozing costs has been adequately documented. The invoice covering the Category (1) drilling includes 98 feet of NC, whereas the contract provides that all drilling shall be done with coring bits. Furthermore, the holes involved are not identified and the total of 604 feet invoiced cannot be checked because drill logs were not submitted as required by Article 5(b) of the contract. The narrative states that DDH 3 bottomed at 300 feet and that DDH 2 also was drilled, but the depth is not specified. A September 10 letter from the Operator indicates DDH 2 bottomed at 355 feet.

Incidentally, some doubt as to the authenticity of this drilling invoice is caused by the last two sentences in the third paragraph of your September 25 letter to the Operator. All invoices should be true, even if prices are in excess of those allowable; and, if not originals, carbons, or true reproductions (such as photostat, ozalid, or thermofax copies), must be certified as specified in the last portion of the penultimate paragraph on the reverse of MME Form 60.

43683

The $600.00 claimed by the Operator under Category (3) as a self-employed engineer-supervisor is supported by a statement that he worked in connection with the contract for 4 days in July and 21 days in August. It does not specify the dates on which he worked or his rate of self-employment remuneration. Your approval of $483.87 is calculated as 4/31 and 21/31 of $600.00; the calculation is acceptable if he actually drew $600.00 a month on a 31 day basis. Ordinarily such calculations are on the basis of actual working days in a month.

The $150.00 claimed under Category (4) for pick-up truck rental has been approved by you for $120.96 on a basis of calculations of 4/31 and 21/31 of $150.00, which is acceptable if "rent" was actually paid at that rate to a separate legal entity and the months consisted of 31 working days each. It appears from the invoice, however, that the Operator owns this pick-up and, therefore, depreciation rather than rent is appropriate.

The $27.00 claimed under Category (7) for self-employment taxes is not an acceptable cost under the contract. This is a personal tax based on personal income derived from sole proprietorships and partnerships and reportable on individual income tax returns. Although it is a F.I.C.A. tax, it is not the same as an "employer's" F.I.C.A. tax, which is allowable under the contract.

If this contract should be amended to provide for non-core drilling and depreciation of the truck, it is suggested that you make such recommendations.

Enclosures

EDTalbert/ama 3-12-63

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

No. 157 Howard Street
Spokane 4, Washington
February 18, 1963

RE		
DA		
2/20	800	
	800	

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: GMM-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Dear Mr. Baugh:

In a telephone conversation about three weeks ago, you said you planned to mail on the following day the documentation in support of your voucher, which was requested in my letter of January 24, 1963. This is to advise you that the material has not yet been received.

Sincerely yours,

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

DRMacLaren:ny

cc: GMM(2)
CFF
Reading copies to:
Nolan
McKalway

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
January 25, 1963

FILE COPY
O. M. E
RECEIVED JAN 28 1963

DATE		
1/28		800
		120
		500
1/29		500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

During an inspection loop, I spent the night of November 12, 1962, in Boise. The subject property, which is now also known as the Serrano Mercury Mine, was inaccessible because of heavy snow in the high country along the route. T. R. Baugh called at the motel late in the afternoon to discuss the drilling results--and vouchering problems. He showed me several assays of core samples from DDH No. 2, one of which showed 20 pounds and another 4 pounds mercury per ton. The other samples were one pound or less.

When Baugh told me the core was at his home, we went there so I could look at the more promising sections, but by that time daylight was fading rapidly and there was no satisfactory outside light. Also, Baugh was not then sure of the locations of the sample intercepts. He has since submitted a corrected voucher for July and August and a final voucher for September, with which he included an apparently excellent set of logs. I have returned the logs for the addition of the assays, which he had omitted.

Accompanying the vouchers as support of a claim for rental of a pickup truck are invoices from Baugh Insulation Company to T. R. Baugh. Although Baugh Insulation Company as an entity owns the pickup, T. R. Baugh is in fact most of Baugh Insulation Company. The matter of Baugh Insulation Company renting the pickup to T. R. Baugh was discussed in Boise. I expressed doubt that this could be approved as a valid cost of the contract, since he was claiming rental on a pickup which he in effect already owns. The pickup is a 1960 Chevrolet ½-T vehicle, which Baugh estimates as having a present market value of $1,800. Please advise me whether the rental can be allowed or, if not, whether the contract can be amended to allow depreciation for the use of the pickup.

D. R. MacLaren

D. R. MacLaren

Re: OME-6133

More invoicing troubles

① Pick up rental
of "Baugh Insulation Company"
in sole proprietorship or partnership,
amendment required for
depreciation, gas & oil, etc
instead of rental.

② Supervision
How can Baugh furnish a true
payroll transcript showing pay
to himself, probably at
maximum rate & or
otherwise prove he paid self?

Talbot
1/28/63

JA 23 1963

1/28		800
		120
	Gyrowed	500
1/28	Ralph	500

No. 137 Howard Street
Spokane 4, Washington
January 24, 1963

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: GMB-6133 (Mercury)
T. R. Baugh
Farm Cinnabar Group
Valley County, Idaho
Contract 2134

Dear Mr. Baugh:

During our visit in Boise on November 12, 1962, you showed me several assays of samples taken from the core of DDH No. 2, one of which was 4 pounds mercury per ton, another 20 pounds. We later looked for these core sections at your home but because of the poor and fast-fading light were unable to find them.

I have only just had an opportunity to go over the drill hole logs which were included with your September voucher and am surprised to find no assay values whatsoever recorded therein. Where mercury is visible, it is often difficult to determine by eye whether or not it is present in significant amounts. With mercury worth about $2.60 per pound, four-pound rock is approaching significance and should be sampled. By comparing the frequency of visible cinnabar in other sections of core with that in the four-pound section, you would have a guide as to whether or not a sample should be taken in order to comply with the last sentence in the second paragraph of Exhibit A.

Returned herewith are the logs for the addition of your sample assays. Your narrative reports for July-August and for September, read in conjunction with remarks in the logs, suggest several core intervals that might warrant sampling. Where mercury is visible as "paint", it might be advisable to split the core for a look at a fresh surface--the "paint" could be the result of smearing of the core by the bit or core barrel. I only mention this as a suggestion, as of course it would depend somewhat on the amount and appearance of the paint, and I was able to see only a small part of the core because of the poor light when I looked at it.

It is stated in the September narrative that it was impossible for you to be on the site at the time DDH No. 4 was started. As this is

an actual-cost contract, will you submit two statements, one certifying as to the days during July and August that you were actually doing engineering or supervisory work, the other certifying as to the days during September that you were actually doing engineering or supervisory work.

As soon as you return the logs with the assays added and the certifications, I will continue to process your voucher. Would it be possible to include a second copy of the logs? I am referring the matter of the pickup rental to our Washington, D. C., office.

Sincerely yours,

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

Enclosures

DRMacLaren:my

cc: GMK(2)
CFP
Reading copies to:
Nelson
McKelvey

So. 157 Howard Street
Spokane 4, Washington
November 1, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 5

11/5 Grayson 800
11/6 Holt 500
500
6133

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho
Contract 2134

Dear Mr. Baugh:

With my letter of September 25, 1962, I returned your voucher for certain corrections. I expect to be in Boise at Bryson's Motel the night of Monday, November 12, estimated time of arrival about 5:30. I would be glad to meet with you that evening to discuss the results of the summer's drilling and clarify any points raised in my September 25th letter that have been unclear to you.

Sincerely yours,

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

DRMacLaren:my

cc: OME(2)
CPF
Reading copies to:
Nolan
McKelvey

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 27 1962

DATE		
9/21		800
	~~Cleared~~	500
9/28	~~Hoch~~ 5/19/H	500

So. 157 Howard Street
Spokane 4, Washington
September 25, 1962

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Farm Cinnabar Group
Valley County, Idaho
Contract 2134

Dear Mr. Baugh:

Returned herewith are all copies of MME Forms 60 and 61 and driller's invoice for certain corrections. On the MME Form 60 you show $390.00 for bulldozing. This should be supported by a copy of an invoice from the bulldozer contractor, signed by him, showing the size dozer used, the hours worked, the price per hour charged, and the total amount. Similarly, you should support the $600.00 claimed for supervision and technical services by a signed statement of the time actually spent on the job. Otherwise, this form appears to be correctly made out.

Form MME-61 requires more than you have indicated. An attempt to describe the proper way to complete this form might leave you in some confusion. I have, therefore, indicated how the form should be made out. The voucher and the invoices must agree, as must the totals at the bottom of each form.

Some of the items claimed will be disallowed, but it is better to claim them as invoiced. For example, the driller's invoice indicates that hole A was drilled 98 feet with a noncoring bit. Without an amendment, this cannot be approved as complying with the contract. You have not requested such an amendment, and a request after the fact is sometimes difficult to approve. It would depend upon the reason for the amendment and the reason for delaying the request. The driller's invoice also shows unit costs for NX drilling of $9.25 and $10.00 per foot for holes C and D, respectively. This exceeds the contract price of $8.75. note ?

Also missing is a narrative report describing the work completed, the results, and mention of difficulties encountered; the dates the bulldozing and the drilling started are of interest. A map showing

the locations of the holes as designated in the driller's invoice should accompany the voucher.

As soon as I receive the corrected voucher forms, invoices, statement, narrative, and map, I will proceed to process the voucher.

Sincerely yours,

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

Enclosures

DRMacLaren:my
cc: OME(2)
CFF
Reading copies to:
Nolan
McKelvey

[illegible]

[illegible]

[illegible] Department of the Interior
[illegible] of Mineral Exploration
[illegible] 15th [illegible] Street
[illegible], Washington

[illegible]

Dear Mr. [illegible]:

Enclosure is note to the drilling program as [illegible] [illegible] contract.

Drill sites were made ready the latter part of July and [illegible] Company of Boise moved onto the property shortly thereafter [illegible] drilling with a Longyear Model 44 drill on hole designated [illegible] bailout as the hole encountered very little of the faulted [illegible] indicated on the surface. Although some slimpiles [illegible] here, obviously no high grade ore was encountered in the [illegible]

At the start of the second hole, designated DDH 2, the [illegible] stated it would be necessary to put on a double shift [illegible] program this year and have worked on a double-shift [illegible] ing DDH 2 was radically different from DDH 1 in that [illegible] of depth, the first five feet of core was lost at the [illegible] contained clayey material containing appreciable [illegible] in excess of 5%, the drilling alternated in zones of [illegible] like and zones of brown and yellow limes containing [illegible] 3% the core until it reached a depth of 356'. At that depth [illegible] hard iron stained formation which contained visible [illegible] the hole and terminated at about 365' in a very [illegible]

For the past two weeks the drillers have been [illegible] and accordingly hole DDH 3 was only started today. [illegible] work should give little trouble in the future and progress [illegible]

I am in the process of logging the cores and will [illegible] as possible.

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 7 1962

DATE	INITIALS	CODE
8/7	on leave	120
"	[illegible]	500
"	[illegible]	500

So. 157 Howard Street
Spokane 4, Washington
August 3, 1962

Mr. T. R. Baugh
1310 West State Street
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

I am glad to hear that work on the Fern group is progressing so well ahead of schedule.

I was sorry to miss you when I passed through Boise July 19. I called your office but all they could tell me was that you were out of town and were expected back the following Saturday. In Yellow Pine I just missed you as you went out but Jack Walker told me the drill sites were ready.

I will not be down that way again until sometime in October. I hope it will be during the first half of the month but will let you know as soon as I can give you a definite date.

Sincerely yours

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

cc: OME w/copy incoming

Baugh INSULATION CO.

August 1, 1962

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Re: OME-6133 (mercury)
Fern Cinnabar Group
Valley County, Idaho

Attention: D. R. MacLaren

Dear Mr. MacLaren:

Please be advised that all necessary bulldozing in the construction of road and preparation of drill sites was completed in the third week of July.

I have executed a contract with Nichols Core Drilling Company of Boise to do the drilling in accordance with the terms of their proposal submitted to me in 1961 and it is their intentions to move all necessary equipment to the property next Monday, August the 6th. I will, of course, also be on the property at that time.

I am looking forward to again seeing you as the drilling progresses.

Very truly yours,

T. R. Baugh

TRB/m

RECEIVED
AUG 3 1962
U.S.G.S.
SPOKANE, WASH.

So. 157 Howard Street
Spokane 4, Washington
April 6, 1962

4/9 800 500

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133
Fern Cinnabar Group
Valley County, Idaho
Contract No. 2134

Dear Mr. Baugh:

We are forwarding a 3-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61.

The completed report forms MME 60 and 61, as well as the narrative maps, assays and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done for that month is required.

Delay in processing can be avoided if reports are submitted promptly to this office.

Sincerely yours,

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

Enclosures

cc: OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 5 1962

DATE		
4/5		800
4-5		100
4/5		110
		~~120~~
4/6		500
4/6		500
	S.T.H.	

RECEIVED
APR 5 3 08 PM '62
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BMD - COMMUNICATIONS

200

AXXXXXXXB069K

XDXXXXXXB070K

YWB057-WAF SP 18 I-MME

SPOKANE WASH 4-5-62 1156U

MR GEORGE FUMICH, JR. DIRECTOR OFFICE OF MINERALS EXPLORATION

USDI WASH D C

RE OME-6133/MERCURY/, T. R. BAUGH, FERN CINNABAR GROUP, VALLEY COUNTY, IDAHO, CONTRACT 2134. CONTRACT SIGNED BY OPERATOR RECEIVED APRIL 5, 1962.

D R MAC LAREN ACTG FIELD OFCR OME REGION 1

CFM OME-6133 2134 5 1962

HLC 1159U

One

No. 157 Howard Street
Spokane 4, Washington
March 14, 1962

OPTIONAL FILE COPY
G. M. E.
MARCH 1962
3/16 500
3/ 5.00

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6155 (Mercury)
Pure Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

We are enclosing the original and four copies of a proposed contract for the subject property revised in accordance with your letter of January 23, 1962, and our subsequent telephone conversation.

If the proposed contract, as revised, is satisfactory to you, kindly insert in Article 1(a) the date on or before which work will commence and sign the original and all copies; keep the Operator's Copy and return the original and remaining three copies to this office.

If any part of the proposed contract does not have your approval, please return all copies unsigned with a statement of the proposed changes for consideration.

The 6½ percent interest mentioned in Article 1(c) accrues from the dates upon which individual payments are made by the Government and, like the principal, is repayable from royalty on production.

Sincerely yours,

B. H. Maclaren
Acting Field Officer, OME
Region I

Enclosures

BHMaclaren:mls
cc: OME; Maclaren
Reading copies to:
Nolan; Robbs; Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/9	Holt	500
	Hurrell	500
3/9	Talbot	800
3/9	[illegible]	130
"	Johnson	110
3/9	Furnish	100
3/9	Case	220
		500

Memorandum MAR 9 1962

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OMX-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Enclosed are the original and four copies of a proposed contract for the subject property, revised in accordance with the recommendations in your memorandum of January 26, 1962. All copies were previously signed by the Director for the Government. Also enclosed, to be substituted in the "Extra Copy for Field Office" held by you, are one copy each of the first page of MM E Form 50, and pages 2 and 3 of Exhibit A, which were rewritten.

We agree with you that the Operator, though not a graduate engineer, appears to be qualified to handle the supervision of project work, including location of drill sites, logging drill holes, taking samples, preparing monthly reports, et cetera.

If the proposed contract, as revised, is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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.

George C. Selfridge

(SPH)

Enclosures

SPHolt/gla
3-9-62

cc to: Director's Reading File
Review Committee
Docket

43683

Government's Copy

MME Form 50
Feb. 1959

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

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6133	Mercury	14-23-090- 2134	Valley	Idaho

It is agreed DEC 22 1961 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

T. R. Baugh

whose mailing address is 3620 Sycamore Drive, Boise, Idaho, hereinafter called the "Operator, as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 4 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ ~~16,400.00~~ 18,575.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $ ~~8,200.00~~ 9,255.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

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

Lien and Subordination Agreements of Lessors

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) 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 (see Article 6(a), Category (1)). 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, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. 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 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. 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

Description of the Work

Prepare access roads and drill sites as necessary. Not to exceed 32 hours of bulldozing will be allowable for this work.

Diamond core drill not to exceed 1,500 feet in approximately five drill holes at locations and with bearings, inclinations, and depths approximately as shown in red color on Figure 2.

Estimated Cost of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing, 32 hours @ $15.00/hr.	$ 480.00
Transportation of bulldozer	200.00
Diamond core drilling, Size NX, 1,500 feet @ ~~$8.00/ft.~~ 8.75	~~12,000.00~~ 13,125.00
Size BX @ ~~$7.50/ft.~~ 8.25	
Size AX @ ~~$7.00/ft.~~ 7.75	
Cementing and redrilling or reaming and casing, 300 feet @ $3.00/ft. 3.70	~~900.00~~ 1,110.00
Transportation of drill and equipment	~~150.00~~ 850.00
	$13,730.00 15,765.00

Category (2) Personal Services

Subcategory (a) Supervision and Technical Services

Engineer-supervisor, $2\frac{1}{2}$ months @ $600.00/mo.	1,500.00

Category (3) Operating Materials and Supplies

None except:

75 wooden core boxes @ ~~$4.00/ea.~~ 5.00	~~300.00~~ 375.00

Category (4) Operating Equipment

Subcategory (a)

Rental - 1 pick-up truck or jeep, $2\frac{1}{2}$ months @ $150.00/mo. (includes gas, oil, maintenance, and repairs)		$ 375.00

Category (7) Miscellaneous

None except:

Assaying 58 samples for mercury @ $4.25/ea. (includes sample sacks and transportation of samples)	$246.50	
Social Security, payroll taxes, workman's compensation insurance, etc. 16.5% of $1,500.00	$247.50	$ 494.00
Estimated Total Cost of the Project (rounded)		~~$16,400.00~~ x 18,510.00
Government Participation @ 50%		$ ~~8,200.00~~ x 9,255.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
January 26, 1962

O. M. E
RECEIVED JAN 29 1962

DATE	INITIALS	CODE
1/29	Kriegwald	500
2/1	Hoff	500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Enclosed are the original and four copies of a proposed contract for the subject property which the applicant has returned unsigned. Also enclosed are two Thermofax copies of a letter dated January 23, 1962, with enclosures.

Although the applicant is not a graduate engineer, he can locate the drill sites which were tentatively selected by mutual agreement during the examination. Also, he is sufficiently familiar with the rocks and the mercury occurrence on the Fern property, from several years of intermittent work on the claims and discussions with engineers and geologists who have from time-to-time visited the property with him, so that he can log the holes and take samples where they should be taken. I had expected him to supervise the project. Since receiving his enclosed letter, I have talked with him on the telephone primarily to learn why he felt that he was not qualified.

Under Category (2), Subcategory (a), the term "Engineer-Supervisor" meant to him that the supervisor had to be a qualified engineer. He approached the Boise firm of Barton, Stoddard, and Milhollin who told him they had done work for several DMEA contractors and apparently showed him a large display of maps which they said DMEA had required. Mr. Baugh is not qualified to survey or prepare involved surface or underground maps or to do any detailed geologic mapping, a fact which he realizes. In view of this inability on his part and what Barton, Stoddard, and Milhollin implied to him would be required, he felt that he would not be qualified to supervise this project and requested a bid from the firm to supply an engineer. The sum of $1,500 per month for an engineer-supervisor is high for a job involving only 1,500 feet of diamond drilling, but except for the $50 for radio communication, I doubt that any

reputable consultant, unless he had been out of work for some time, could be obtained for much less. The contract price for salary plus insurance is $847.50 per month. Baugh planned to use his own camp gear and provide his own subsistence. Possibly, an undergraduate or a young unemployed engineer might accept the same conditions, but I do not believe the results of their work would be any more reliable or satisfactory than Baugh's for this job. Mr. Baugh stated that he believed that he was competent enough to locate the drill holes, log the core and take the samples. I advised him that Category (2), Subcategory (a), meant that a maximum of $600 per month and a maximum of $1,500 would be allowed for engineering and supervision, that the responsibility for the proper execution of these two jobs was his, and that as long as the project was carried out according to specifications in the contract, who did the work was not material.

Regarding costs, as stated in my report, I had not received any bids up to that time and made a stab based on those of a prior contract. I was way off the mark, particularly with respect to transporting equipment or drill mobilization. From Boise to Cascade the road is paved; from Cascade to Yellow Pine there is 62 miles of graded road that timber trucks keep pretty well filled with chuck holes; and from Yellow Pine to Stibnite, a distance of 18 miles the road becomes progressively poorer, the final 6 miles from Stibnite to the property being about the same. Nichols' bid of $850--$425 each way--for mobilization and demobilization is equivalent to $4.95 per mile. Considering loading and unloading time, time for setting up camp, travel time, and moving time from station-to-station, this rate is probably not too far out of line. The average bid price to a depth 300 feet for NX size bit is $8.75 per foot. No quotation is given for BX or AX size. The total bid price for reaming and casing is $3.70 per foot. This is also probably close to the cost of cement, setting of it, and redrilling.

The bid submitted by Selby Drilling Corporation is not worth further attention, and Barton, Stoddard, and Milhollin declined to bid. Thus, the applicant is faced with the prices bid by Nichols.

It is recommended that the following changes be made in the OME contract prices:

Category (1) <u>Independent Contracts</u>

Diamond core drilling, Size NX, 1,500 feet at $8.75/ft	$13,125.00
Size BX at $8.25/ft	
Size AX at $7.75/ft	

Category (1) Independent Contracts (cont'd.)

Cementing and redrilling or reaming and casing 300 ft at $3.70/ft	$ 1,100.00 X 1,110.00
Transportation of drill equipment	850.00

Category (3) Operating Materials and Supplies

None except:

75 wooden core boxes at $5.00/ea.	$ 375.00
Estimated total cost of the project (rounded)	$18,500.00
Government participation at 50%	$ 9,250.00

These changes will more nearly approximate the actual cost of the project to the applicant.

D. R. MacLaren

D. R. MacLaren

Enclosures

3620 Sycamore
Boise, Idaho
January 23, 1962

United States Department of the Interior
Office of Minerals Exploration
No. 157 Howard St.
Spokane 4, Washington

Re: OME-6133 (Mercury)
Fern Cinnabar Group
Valley County, Idaho

Attention: D. R. MacLarn

Dear Mr. MacLaren:

In accordance with the contents of your letter of January 8, 1962, I am returning herewith unsigned copies of a proposed contract to diamond drill the above-mentioned property.

I am also enclosing original letters received from Nichols Drilling Company and from Barton, Stoddard & Milhollin, consulting engineers, which are self-explanatory.

With reference to the Nichols Drilling Company letter, I tried to get a better price than they originally did but failed. I question that I can find a reputable drilling concern that will take the contract for less than Nichols.

Inasmuch as the contract stipulated that supervision be made by an engineer I took the matter up with Barton, Stoddard & Milhollin, who set forth the enclosed proposal for engineering and supervision. Perhaps you will agree that it would be most difficult to acquire the services of an independent engineer for such a short period of time for the amount of remuneration provided. Mistakenly, in my original application, I assumed that supervision would be left up to me but I now realize I am not qualified.

I trust, in reconsidering this matter, the Office of Minerals Exploration will allow for an actual 50% participation of costs and increase the amount of the contract accordingly.

May I hear from you soon?

Very truly yours,

T. W. Baugh

TWB/m
Encls.

Diamond Drilling Contractor

NICHOLS
CORE DRILLING CO., Inc.

AL NICHOLS
GENERAL MANAGER

PHONE 4-2575

DON NICHOLS
ASSISTANT MANAGER

111 E. 39TH ST.

BOISE, IDAHO

P. O. BOX 2057

JANUARY 18, 1962

MR. T. R. BAUGH
3620 SYCAMORE DRIVE
BOISE, IDAHO

DEAR MR. BAUGH:

CONFIRMING OUR CONVERSATION OF JANUARY 17, PLEASE BE ADVISED THAT WE ARE SUBMITTING THE SAME FIGURES ON YOUR PROPOSED DRILLING PROGRAM IN THE STIBNITE AREA FOR THE COMING YEAR AS WE QUOTED YOU BEFORE - AS FOLLOWS:

1. MOBILIZATION, DRILLING EQUIPMENT, SETTING UP TEMPORARY CAMP AND DEMOBILIZATION $850.00.
2. NC DRILLING
   A. FROM 0 TO 100 FEET @ $8.50 PER FOOT.
   B. FROM 100 TO 200 FEET @ $9.00 PER FOOT.
3. NX DRILLING
   A. FROM 0 TO 100 FEET @ $8.25 PER FOOT.
   B. FROM 100 TO 200 FEET @ $8.75 PER FOOT.
   C. FROM 200 TO 300 FEET @ $9.25 PER FOOT.
   D. FROM 300 TO 400 FEET @ $10.00 PER FOOT.
4. REAMING @ $2.85 PER FOOT AT ANY DEPTH.
5. CEMENTING HOLE @ $11.00 PER HOUR PLUS COST OF CEMENT.
6. CASING OF HOLE @ .85 PER FOOT.
7. STANDBY TIME @ $11.00 PER HOUR.
8. CORE BOXES @ $5.00 EACH.
9. DRILL STATIONS AND ACCESS TO ROADS ARE TO BE PROVIDED AT NO EXTRA COST TO NICHOLS CORE DRILLING CO., INC.
10. RIGHT-OF-WAYS FOR INGRESS TO AND EGRESS FROM PROPERTY ARE TO BE FURNISHED BY THE OWNER.

IT IS UNDERSTOOD, HOWEVER, THAT THE DRILLING WILL NOT COMMENCE PRIOR TO JULY 1, OR UNTIL THE SNOW HAS DISAPPEARED.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

WE ARE SORRY TO INFORM YOU THAT IT WOULD BE AN IMPOSSIBILITY TO MOVE THE EQUIPMENT IN AND SET UP CAMP AT YOUR STATED REQUESTED PRICE OF $150.00. WE FEEL THAT OUR MOBILIZATION FIGURE OF $850.00 IS VERY REASONABLE CONSIDERING THE ROADS TO AND FROM THE AREA AND THE FACT THAT WE HAVE TO PUT UP A CAMP FOR OUR EMPLOYEES.

AS FOR THE FOOTAGE PRICES, WE ALSO FEEL THAT THEY ARE VERY REASONABLE. THE PRICES THAT YOU STATED AS RECOMMENDED BY THE GOVERMENTAL AGENCY ARE SIMILAR TO THE PRICES WE HAD IN EFFECT IN A CONTRACT WITH BRADLEY MINING COMPANY IN 1954. AS YOU ARE WELL AWARE, LABOR PRICES AND MATERIALS HAVE INCREASED AT LEAST 33-1/3 PERCENT SINCE THAT TIME. THEREFORE, WE FEEL THAT OUR PRICES ARE VERY REASONABLE. THEN TOO, YOUR ORE BODY IS GOING TO BE QUITE DIFFICULT TO CORE AND IN ORDER TO OBTAIN A SATISFACTORY REPRESENTATION OF CORE THE PROGRAM IS GOING TO BE SLOW.

AS FOR THE CORE BOXES, THE $5.00 QUOTED TO YOU IS THE PRICE THAT WE PAY FOR THE CORE BOXES. THIS IS THE BEST PRICE THAT WE HAVE BEEN ABLE TO OBTAIN AND FEEL IT TO BE A JUST PRICE.

IT IS QUITE DIFFICULT TO ESTIMATE THE COST OF DRILLING THE 1500 FEET VERY ACCURATELY. WE WOULD ESTIMATE THAT IT WOULD BE IN THE NEIGHBORHOOD OF $14,500. TO $15,000.

WE HOPE THAT THIS WILL ANSWER YOUR QUESTIONS AND IF WE CAN BE OF ANY FURTHER SERVICE TO YOU, PLEASE FEEL FREE TO CONTACT US.

THANK YOU AGAIN FOR YOUR CONSIDERATION.

VERY TRULY YOURS,

NICHOLS CORE DRILLING CO., INC.

Alvin P. Nichols

ALVIN P. NICHOLS
MANAGER

APN/DFN/SJB

RECEIVED
JAN 25 1962
U.S.G.S.
SPOKANE, WASH.

Phone 2-3644

BARTON, STODDARD & MILHOLLIN

CONSULTING ENGINEERS

1205 Capitol Boulevard

BOISE -:- IDAHO

S. M. BARTON
BRUCE W. STODDARD
AUSTIN B. MILHOLLIN

15 January 1962

Mr. Trevor R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: Supervision of Proposed Drilling Program at Fern Mine, Valley County, Idaho

Dear Mr. Baugh:

In response to your request we are herewith submitting a proposal for furnishing supervision for your proposed drilling program at the Fern Mine, Valley County, Idaho. The proposal includes all work necessary to supervise the prospexting except that on occasion, as required, you would furnish our geologist sufficient additional manpower to conduct required surveys, sampling, etc., where two or more men are necessary. We understand that the work would commence in July or August of this year and continue for about two and one-half months.

	Cost per Month
Furnishing resident geologist to live at jobsite, approximately salary $600. per month. Our price includes taxes, insurance, overhead and profit	$ 800.00
Subsistence for geologist	100.00
Trailer rental for geologist, living quarters and office on job	100.00
Pickup or similar vehicle for geologist $120. per month plus 5 cents per mile, plus gas and oil, estimate 1600 miles per month	250.00
Principal's time in Boise and one trip per month to job. Three days per month @ $50.00	150.00
Principal's travel costs - 400 miles @ 10 cents, plus $10.00 for meals	50.00
Communications radio for use of geologist and others on the project	50.00
TOTAL AMOUNT PER MONTH	$1,500.00

The above costs include the furnishing of normal equipment used in the office, for surveying and for drafting. The communications radio will connect to Oberbillig's Radio Service in Boise which connects to telephones, thereby giving telephone-radio service to the project site and any other place reached by telephone. The cost of this is $30.00 per month plus a rate per minute of use. Our monthly bills on this service are usually about as shown on first page.

Yours very truly,

BARTON, STODDARD & MILHOLLIN

S. M. Barton

S. M. BARTON, P. E.

SMB:ih

RECEIVED
JAN 25 1962
U.S.
SPOKANE, WASH.

Sc. 157 Howard Street
Spokane 4, Washington
January 8, 1962

O. M.
RECEIVED JAN 10 1962
DATE INITIAL
1/10 Hart 5.00

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133 (Mercury)
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

Enclosed are the original and four copies of a proposed contract for the subject property at the Fern Cinnabar group of claims. The complete contract consists of MME Form 50 (Long Form), Annex I (one page), Exhibit A (three pages), Exhibit B, and two maps.

If the contract meets with your approval, kindly insert in Article 1(a) the date on or before which work will commence and sign the original and all copies; keep the Operator's Copy and return the original and remaining three copies to this office.

If any part of the contract does not have your approval, please return all copies unsigned with a statement of the proposed changes for consideration.

The 6½ percent interest mentioned in Article 1(c) accrues from the dates upon which individual payments are made by the Government and, like the principal, is repayable from royalty on production.

Sincerely yours,

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

Enclosures

DRMacLaren:mls
cc: OME
Reading copies to:
Nolan; Hobbs
Guild

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 29 1961

DATE	INITIALS	CODE
12/29/61	Greenwell	500
	Hall	500
	S.H.H.	

So. 157 Howard Street
Spokane 4, Washington
December 27, 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133 (Mercury)
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

We have received from our Washington, D. C. office a proposed contract to explore for mercury ore on the Buck's Bed claim by diamond drilling from the surface. However, before we can forward the proposed contract for your consideration, the enclosed five undated copies of MME Form 52, Lien and Subordination Agreements, signed by Rob't and Geo. C. Warberg must be dated on the line just above the signatures. The date must be prior to December 22, 1961.

As soon as you return all five copies, dated as indicated above, we will forward the proposed contract for your consideration.

Sincerely yours,

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

Enclosures

DRMacLaren:mls
cc: OME
Reading copies to:
Nolan, Hobbs, Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/21	Holt	500
	Hummel	500
12/22	Talbert	800
12/22	GCS	130
"	on leave	110
12/22	Fumich	100
12/22	Cal	220
		500

DEC 2 2 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Enclosed are the original and four copies of a proposed contract for the subject property at the Fern Cinnabar group of claims. The complete contract consists of MME Form 50 (Long Form), Annex I (one page), Exhibit A (three pages), Exhibit B, and two maps.

Also enclosed are five undated copies of MME Form 52, Lien and Subordination Agreements, signed by Rob't and Geo. C. Warberg. Before this proposed contract is submitted to the Applicant, all copies of the form will have to be dated, just above the signatures, prior to the date of the contract. The same date should also be inserted in the last paragraph of all copies of Annex I; then the form should be inserted in each copy of the proposed contract between Annex I and Exhibit A, and each copy of the contract stapled.

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

If the contract, with the above-noted additions, is satisfactory to you and the Applicant, all five copies should be signed by Mr. Baugh. He should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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

/s/ George C. Selfridge

SPHolt/gla
12-21-61
cc to: Director's Reading File
Enclosures Review Committee
Docket

43683

MME FORM 6 REFERENCE SLIP
REV. 2- OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. ~~Lofgreen~~		
2.		
3.		
4. DEC 22 1961		
5.		
FROM: Talbert		

FOR: Check items for action desired

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

REMARKS: Re: OMC-6133
Second paragraph doesn't instruct McLaren as to who is to insert date. If we are to be technical, it must be inserted and initialed by landowners. Actually, we have many undated Consents in our files — and I doubt thru a date is essential.
Talbert 12/22/61

INT-DUP. SEC. WASH. D.C. M56300-59

12/21/61

Hazel:

Please note copies of contract and attachments are not stapled for reasons given in second paragraph of transmittal memorandum.

Also, Mr. Soller did not surname the contract (see his memo in the docket) and Legal Division's copy is in this group.

Grace

Five copies MME Form 52 mentioned in memo attached.

DRAFT
12/13/61
SPHolt/gla

MME Form 50
Feb. 1959

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

EXPLORATION CONTRACT
(Long Form)

Copy of contract draft for docket

Docket No.	Commodity	Contract No.	County	State
OME -6133	Mercury	14-23-090-	Valley	Idaho

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

T. R. Baugh

_____,

whose mailing address is 3620 Sycamore Drive, Boise, Idaho, hereinafter called the "Operator, as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 4 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 16,400.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 8,200.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

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

Lien and Subordination Agreements of Lessors

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) 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 (see Article 6(a), Category (1)). 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, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. 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 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. 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.

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [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 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.--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

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

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

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs 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 total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~Operator's~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. 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, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, 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, sale to others, purchase by the Operator, or sale or transfer to 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 that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that 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 offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), 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 exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, 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:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be 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; and

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

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to 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 final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. 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.

See Article 16

ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

T. R. BAUGH
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

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

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52379

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Furnich - OME

DATE: 12/20/61

~~FROM~~ :

~~SUBJECT~~: This contract (T.R. Baugh, OME 6133) has been typed in final form but not summaned because of the undated lien subordination agreement. Without the date, we'd be in a bit if we tried to enforce it as against subsequent grantees of the owners of the claims.

Was [illegible] legal necessary by legal for to [illegible] Gulbellw

DRAFT
12/13/61
SPHolt/gla

EXPLORATION CONTRACT
T. R. BAUGH
OME-6133

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract and shown in blue color on Figure 1, entitled "Map showing Claims and Geology, Fern Group, Valley County, Idaho," attached to and made part of the contract, comprises 6 patented lode mining claims ~~xxx~~ in sec. 12, T. 18 N., R. 9 E., and sec. 7 (unsurveyed) T. 18 N., R. 10 E., Boise Meridian, Yellow Pine Mining District, Valley County, Idaho, as follows:

Name of Claim	U. S. Survey No.
Fern	3020
Fern No. 2	"
Fern No. 4	"
Spruce Grove	"
Buck's Bed	"
Buck's Bed No. 1	"

The Operator controls the land under the terms of a "Mining Lease and Option" and an "Amendment to Lease," dated October 1, 1956, and June 1, 1961, and signed by George Warburg, Mrs. George Warburg, Rob't Warburg, Mrs. Zelma A. Warburg, and Rob't Warburg and Geo. Warburg, respectively.

An undated Lien and Subordination Agreement signed by Rob't and Geo. Warburg is attached to and made part of the contract.

EXPLORATION CONTRACT
T. R. BAUGH
ONR-6133

EXHIBIT A

The purpose of the project is to explore for ores of mercury occurring as cinnabar and meta-cinnabarite in replacement deposits and fracture fillings in strongly altered dolomitic limestone, by means of diamond drilling from the surface of the Fern group of claims.

Diamond drilling shall be done with AX or larger sizes of coring bits. Holes shall be reamed and cased or cemented and redrilled where necessary. All cores shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for mercury.

Sludge samples shall be taken during the diamond drilling; and in significantly mineralized sections where the core recovery is less than 60 percent, the sludges shall be assayed as above in addition to the corresponding core segments which have been recovered. No sample, either of core or sludge, shall represent a hole interval of more than 5 feet.

All samples to be assayed shall be split and one-half be made available to the Government. The Government will contribute to the cost of not to exceed 58 determinations for mercury.

All drill holes shall be logged geologically and copies of the logs of completed holes, together with maps showing drill holes and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government will not participate in the cost of incomplete holes. Casing left in drill holes at Operator's request will be for his sole account.

The locations, directions, inclinations, and depths of all diamond drill holes shall be subject to prior approval of the Government.

The bulldozer used for the preparation of access roads and drill sites shall be not less than TD-18 size or similar size of another make.

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

Description of the Work

Prepare access roads and drill sites as necessary. Not to exceed 32 hours of bulldozing will be allowable for this work.

[illegible] drill not to exceed 100 feet in approximately [illegible] five drill holes at locations and with bearings, inclinations, and depths approximately as shown in red color on Figure 2.

Estimated Cost of the Project

Actual Costs

Category (1) Independent Contracts

Bulldozing, 32 hours @ $15.00/hr.	$ 480.00	
Transportation of bulldozer	200.00	
Diamond core drilling, Size NX,		
1,500 feet @ $8.00/ft.	12,000.00	
Size BX @ $7.50/ft.		
Size AX @ $7.00/ft.		
Cementing and redrilling or		
reaming and casing,		
300 feet @ $3.00/ft.	900.00	
Transportation of drill and		
equipment	150.00	$13,730.00

Category (2) Personal Services

Subcategory (a) Supervision and Technical Services

Engineer-supervisor, 2½ months	
@ $600.00/mo.	1,500.00

Category (3) Operating Materials and Supplies

None except:	
75 wooden core boxes @ $4.00/ea.	300.00

Category (4) Operating Equipment

Subcategory (a)

Rental - 1 pick-up truck or jeep, 2½ months @ $150.00/mo. (includes gas, oil, maintenance, and repairs)	375.00

Category (7) Miscellaneous

None except:

Assaying 58 samples for mercury

@ $4.25/ea. (includes sample

sacks and transportation of samples) $246.50

Social Security, payroll taxes,

workman's compensation insurance,

etc. 16.5% of $1,500.00 247.50 $ 494.00

Estimated Total Cost of the Project (rounded) $16,400.00

Government Participation @ 50% $8,200.00

DRAFT

SPH
10.24.61

EXPLORATION CONTRACT
T. R. BAUGH
OME-6133

ANNEX 1

The land, including all rights pertaining thereto, referred to in Article 2 of the contract and shown in blue color on Figure 1, entitled "Map showing Claims and Geology, Fern Group, Valley County, Idaho", attached to and made part of the contract, comprises 6 patented lode mining claims, situated in sec. 12, T.18 N., R. 9 E., and sec.7 (unsurveyed) T. 18 N., R. 10 E., Boise Meridian, Yellow Pine Mining District, Valley County, Idaho, as follows:

Name of Claim	U. S. Survey No.
Fern	3020
Fern No. 2	"
Fern No. 4	"
Spruce Grove	"
Buck's Bed	"
Buck's Bed No. 1	"

The Operator controls the land under the terms of a "Mining Lease and Option" and an "Amendment to Lease", dated October 1, 1956, and June 1, 1961, and signed by George Warburg, Mrs. George Warburg, Rob't Warburg, Mrs. Zelma A. Warburg, and Rob't Warburg and Geo. Warburg, respectively.

A Lien and Subordination Agreements, dated _____, 1961, signed by Rob't and Geo. Warburg, is attached to and made part of the contract.

DRAFT

SPH
10.25.61

EXPLORATION CONTRACT
T. R. BAUGH
OME-6133

EXHIBIT A

The maps attached to and made part of the contract are as follows:

Figure 1. Map showing Claims and Geology, Fern Group, Valley County, Idaho.

Figure 2. Sketch showing Surface and underground workings and proposed diamond drilling, Buck's Bed Claim, T. R. Baugh, Fern Cinnabar Group, Valley County, Idaho.

(A) The purpose of the project is to explore for ores of mercury occurring as cinnabar and meta-cinnabarite in replacement deposits and fracture fillings in strongly altered dolomitic limestone, by means of diamond drilling from the surface of the Fern group of claims.

Diamond drilling shall be done with AX or larger sizes of coring bits. Holes shall be reamed and cased, or cemented and re-drilled where necessary. All cores shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for mercury.

Indent

Sludge samples shall be taken during the diamond drilling, and, in significantly mineralized sections, where the core recovery is less than 60 percent, the sludges shall be assayed as above, in addition to the core segments which have been recovered. No sample, either of core or sludge, shall represent a hole interval of more than 5 feet.

All samples to be assayed shall be split and one-half be made available to the Government. The Government will contribute to the cost of not to exceed 58 determinations for mercury.

All drill holes shall be logged geologically and copies of the logs of

completed holes, together with maps showing drill holes and sections, shall be furnished monthly to the Government.

~~No drilling shall be done at locations closer than 100 feet to property boundaries.~~ The Government will not participate in the cost of incomplete holes. Casing left in drill holes at Operator's request will be for his sole account.

~~The locations, directions, inclinations, and depths of all diamond drill~~ holes will be subject to prior approval of the Government.

The bulldozer used for the preparation of access roads and drill sites ~~shall be not less than TD-18 size or similar size of another make.~~

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

Not to exceed 32 hours of bulldozing will be ~~required~~ allowable for this work.

Diamond core drill not to exceed 1,500 feet in approximately five drill holes, at locations and with bearings, inclinations, and depths approximately as shown in red color on Figure 2, ~~entitled "Sketch showing Surface and underground workings and proposed diamond drilling, Buck's Bed Claim, T. R. Baugh, Fern Cinnabar Group, Valley County, Idaho", attached to and made part of the contract.~~

Estimated Costs

Actual Costs

Category (1) - Independent Contracts

Bulldozing, ~~to prepare access roads and drill sites,~~ 32 hours @ $15.00/hour	$ 480.00
Transportation of bulldozer	200.00
Diamond core drilling, 1,500 feet @ ~~$7.00~~ size NX $8.00/ft.	~~10,500.00~~ 12,000.00
" " " size BX @ $7.50/ft	
" " " Siz AX @ $7.00/ft	

Cementing and re-drilling, or reaming and casing, 300 feet @ $3.00/ft. $ 900.00

Transportation of drill and equipment 150.00

~~$12,230.00~~ 13,730.00

~~Category (2) Personal services~~

~~(a) Engineer-supervisor, 2½ months @ $600.00/mo. 1,500.00~~

1,500.00

Category (3) Operating materials and supplies

None specif.:

75 wooden core boxes @ $4.00/ea. ~~300.00~~

300.00

Category (4) Operating equipment ~~and supplies~~

~~(a) Rental - 1 pick-up truck or jeep, 2½ months @ $150.00/mo. (includes gas, oil, maintenance, and repairs). 375.00~~

375.00

Category (5) Initial rehabilitation and repairs

None.

Category (6) New buildings, fixtures and installations

None.

Category (7) Miscellaneous

None specif.:

~~Assaying 58 samples for mercury @ $4.25/ea. (includes~~ sample sacks and transportation of samples). 246.50

Social security, payroll taxes, workman's compensation insurance, etc. 16.5% of $1,500.00 247.50

~~16,400.00~~

494.00

~~700.00~~

Estimated Total Cost of the Project (rounded) ~~$14,899.00~~

Government Participation @ 50% $ ~~7,449.50~~

~~7,450.00~~

~~$~~8,200.00

~~1) Where necessary to complete a hole, or otherwise desirable, drilling may be done with EX size bits @ 7.50/ft, or with AX size bits @ 7.00/ft.~~

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 8 1961

DATE	INITIALS	CO
		500
12/8	S.P.H.	500

Insulation Company

3620 Sycamore Drive

BOISE, IDAHO

December 4, 1961

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Re: OME-6133 (Mercury)
Fern Mine
Valley County, Idaho

Att: D. R. MacLaren

Dear Mr. MacLaren:

You will find enclosed herewith original letters received in response to my request to bid 1500 feet of diamond drilling on the above group of claims.

Drilling concerns are reluctant to bid on something they can't examine and the Selby bid is exorbitantly high as a result. Their figures could undoubtedly be appreciably lowered after an on the ground examination.

Also, under separate cover, I am forwarding the tracing you require. [Retained by Regional - 12/5/61] M.L.S.

Very truly yours,

/s/ T. R. Baugh
T. R. BAUGH

TRB/m
Encls.-3

DEC 1961

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 12/ 5/61

TO:		DATE	INITIALS
1.	Chief, Div. of Field Operations		
2.			
3.			
4.			
5.			

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 8 1961

DATE	INITIALS	CODE
	Mary L. Smelser	
		VOC
12/5		VOC

Mary L. Smelser

For: Donald R. MacLaren

FROM: Acting Field Officer, Region I

S.P.H.

FOR: Check items for action desired

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

REMARKS:

As Mr. MacLaren is in the field I am forwarding two copies of the requested diamond drilling bids from the applicant mentioned in your letter to Mr. Baugh dated 12/ 1/61. Also is enclosed the 2d copy of the appln. form which was held in our files.

INT.-DUP. SEC., WASH., D.C. M56300-59

Selby Drilling Corporation
DRILLING CONTRACTORS
310 BROADWAY P. O. BOX 450
BOISE, IDAHO

R. E. SELBY
PRESIDENT

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 8 1961

DATE	INITIALS	CODE
	ADDRESS REPLY TO:	

November 28, 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Dear Mr. Baugh:

As requested by you, we are submitting our proposal for exploratory drilling near Stibnite, Idaho.

Description	Quantity	Unit Price	Amount
Mobilization & Demobilization		LS	500.00
Moves	7 ea.	75.00	525.00
NX Drilling	1,500 lf	25.00	37,500.00
Reaming & Casing	800 lf	10.00	8,000.00
Cementing & redrill	300 lf	8.00	2,400.00
BX Drilling		22.00	
AX Drilling		18.00	
		Total	$48,925.00

In the event it is impossible to get the hole down with NX tools, the hole will be reduced to BX size and if necessary, further reduced to AX size. No hole will be bottomed less than AX size.

Swivel tube barrels or wireline will be used in order to get the maximum possible core recovery. Rigid tube barrels will not be used. Suitable means will be used for catching the sludge from the ore body. Core boxes will be supplied by us and cores from more than one hole will not be placed in any one core box.

Roads to the project and drill sites will be provided by T. R. Baugh.

Very truly yours,

SELBY DRILLING CORPORATION

D. N. Thompson

D. N. Thompson

DNT:cb

RECEIVED
DEC 5 1961
U S G.S.
SPOKANE, WASH.

Diamond Drilling Contractor

NICHOLS
CORE DRILLING CO., Inc.

AL NICHOLS
GENERAL MANAGER

PHONE 4-2575

DON NICHOLS
ASSISTANT MANAGER

111 E. 39TH ST. BOISE, IDAHO P. O. BOX 2057

November 11, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 8 1961

DATE	INITIALS	CODE

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Dear Mr. Baugh:

Following is our proposal for 1500 feet of drilling on your property located in the vicinity of Stibnite:

1. Mobilization, drilling equipment, setting up temporary camp and demobilization $850.
2. NC Drilling
   a. From 0 to 100 feet at $8.50 per foot.
   b. From 100 to 200 feet at $9.00 per foot.
3. NX Drilling
   a. 0 to 100 feet at $8.25 per foot.
   b. 100 to 200 feet at $8.75 per foot.
   c. 200 to 300 feet at $9.25 per foot.
   d. 300 to 400 feet at $10.00 per foot.
4. Reaming at $2.85 per foot at any depth.
5. Cementing of hole at $11.00 per hour plus cost of cement.
6. Casing of hole at $.85 per foot.
7. Standby time at $11.00 per hour.
8. Core boxes at $5 each.
9. Drill stations and access to roads are to be provided at no cost to Nichols Core Drilling Co., Inc.
10. Right-of-ways for ingress to and egress from property are to be furnished by the owner.

Thank you very much for giving us this opportunity to bid on this drilling.

Very truly yours,

NICHOLS CORE DRILLING CO., INC.

Alvin P. Nichols

Alvin P. Nichols
Manager

APN:sjh

RECEIVED
DEC 5 1961
U. S. G. S.
SPOKANE, WASH.

Phone 2-3644

BARTON, STODDARD & MILHOLLIN
CONSULTING ENGINEERS
1205 Capitol Boulevard
BOISE -:- IDAHO

S. M. BARTON
BRUCE W. STODDARD
AUSTIN B. MILHOLLIN

1 December 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 8
DATE | INITIALS

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Dear Sir:

With reference to your request for a bid on Diamond drilling on your property at Yellow Pine, we do not care to submit any price on this work at this time.

Yours very truly,

BARTON, STODDARD & MILHOLLIN

BRUCE W. STODDARD, P.E.

BWS/mc

RECEIVED
DEC 5 1961
U. S. M. S.
SPOKANE, WASH.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/30	Holt	500
		500
12/1	Selfridge	120
		110
		100
12-1	gad	220
		500

DEC 1 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

To complete the processing of your application for exploration assistance on the subject property, it will be necessary for you to obtain and submit bids from three independent contractors for the proposed diamond drilling on the Buck's Bed claim, as requested in Mr. MacLaren's letter to you of October 16, 1961.

Please inform us whether you have been able to secure the requested bids and when we might expect to receive them.

Sincerely yours,

W. R. Griswold (gla)

Chief, Division of Minerals

SPHolt/gla
11-30-61
cc to: Director's Reading File
Region I (2)
Docket

43683

OFFICIAL FILE COPY O. M. E. RECEIVED OCT 20 1961		
DATE	INITIALS	CODE
10/20	gad	VVO
		~~130~~
10/20		100
"	Greswold	100
"	Hall	100
	S.P.H.	

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
No. 157 Howard Street
Spokane 4, Washington
October 17, 1961

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Application examination report, OME-6133 (Mercury), T. R. Baugh, Fern Cinnebar Group, Valley County, Idaho

This property was the subject of a previous contract, Idm-E1217 (DMEA-4993), which was rescinded February 3, 1959. The prior contract was based on data contained in two reports on the property, one by James C. Bressfield and the other by Ernest Oberbilling because snow in the high country prevented an early examination. The contract stipulated that no work could be started until DMEA fieldmen could visit the property. When an examination was made, it was considered that no target with sufficient promise of a successful outcome of the project could be demonstrated. An examination relative to the present application was made on September 18, 1961, in the company of Mr. Baugh. About 3 hours was spent on the property.

Since the last DMEA examination the applicant has stripped a considerable part of the Buck's Bed claim by at least 6 trenches, some of them as much as 10 feet deep on the uphill side. These workings are described in a report by Warren R. Wagner which accompanied the application. As Mr. Wagner has spent considerable time on the property and I have spent a total of about 9 hours--6 hours on July 9 and 10, 1958, and 3 hours this trip, I cannot add to or improve on his discussion of the geology and ore deposits. The ore shoots appear to be small and irregular in shape, but some of them are high grade. Because of the proximity of the claims to the Hermes mine of the Molly Corporation, a producer of some 20,000 flasks of mercury, the widespread occurrence of cinnabar and the favorable environment for the formation of ore bodies, further exploration might be warranted. However, the erratic occurrence and small size of the one ore shoot that has been mined from the

ON-SITE EXAM. REPORT

upper tunnel on the Fern claim indicate that diamond drilling should be undertaken prior to any tunneling. These same features make any estimate of the probable results of drilling problematical.

In places, the trench walls were badly sloughed covering some of the showings indicated on the map which accompanied the application. However, there appear to be three zones that might profitably be drilled. These zones are shown on the accompanying plate 1. Scattered cinnabar showings between the three indicated zones were observed, so that the entire area from zone 1 to zone 3 might be considered a target area. The three zones are loosely based on stronger structures and generally higher assay values than were seen in the intervening areas.

Five drill holes at the approximate locations shown on the accompanying plate 1, drilled at -45° to depths of about 300 feet each should determine whether or not the Government would be justified in participating in the proposed tunneling work. Holes 1, 2, and 3 at intervals of about 100 feet would explore through and well beyond zones 1 and 2, and holes 4 and 5 at 100-foot intervals would explore through and beyond zone 3.

It is recommended that approval of this proposed drilling program be considered and that consideration of subsequent tunneling be postponed until the results of the drilling are known. If justified, a Stage II could be added by an amendment to the contract.

COSTS

Mr. Baugh has not yet submitted bids for diamond drilling. Because of the remoteness of the property he may have difficulty obtaining three separate bids. Pending receipt of the bids the following estimate is based on the prices used in the prior contract, corrected for increases since that time.

Submitted 12/4/61

1. Independent contracts

Bulldozer access roads and drill sites, 32 hrs at $15/hr	$480.00	
Transportation of bulldozer	200.00	$ 680.00
Diamond drill 1,500 ft at $7/ft	$10,500.00	
Cementing and redrilling or reaming and casing 300 ft at $3/ft	900.00	
Transportation of equipment	150.00	11,550.00

2. Personal services

Engineer-supervisor, 2½ mos at $600/mo	1,500.00

3. Operating materials and supplies

45 core boxes, wooden, at $4 each	180.00

4. Operating equipment

Rental. 1 pick-up truck or jeep, 2½ mos at $150/mo (includes gas, oil, repairs)	375.00

5. Initial rehabilitation and repairs — None

6. New buildings, fixtures, and installations — None

7. Miscellaneous

Assaying, 30 samples for mercury at $4.20 (includes sample sacks and transportation)	$126.00	
Social Security, insurance, etc. (16.5 percent of $1,500)	247.50	373.50

Estimated Total Cost of Project	$14,658.50
Government participation at 50 percent	$ 7,329.25

As soon as we receive the drilling bids from the applicant, we will forward them.

Enclosure
Distribution:
OMI(3)
USGS(SRO)
Docket
Maclaren

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 18 1961

DATE	INITIALS	CODE
10/18	Hoet	100
	[illegible]	100

So. 157 Howard Street
Spokane 4, Washington
October 16, 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OMS-6133 (Mercury)
Fern Mine
Valley County, Idaho

Dear Mr. Baugh:

During my examination of the new trenching on the Buck's Bed claim you repeated a prior telephoned request that diamond drilling from the surface prior to tunnel work be considered. This possibility was discussed and you promised to submit the required drilling bids from three independent contractors. The bids have not been received.

Although this request is in no way to be considered as assurance that a contract will be offered, they must be received before processing of your application can be completed. Therefore, their early receipt will be appreciated. Bids should be based on about 1,500 feet of drilling with AX or larger coring bit.

Sincerely yours,

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

DRMacLaren:mls
cc: OME
Reading copies to:
Nelson
Hobbs
Guild

OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 5 1961

DATE	INITIALS	CODE
9/5	Hoet	500
	Reiewed	500

So. 157 Howard Street
Spokane 4, Washington
August 31, 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133 (Mercury)
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

I plan to arrive at Yellow Pine the afternoon of Sunday, September 17, 1961, and to inspect the Fern Cinnabar group the next morning in connection with your OME application.

As you know, we already have considerable information on this property and I will have to limit my inspection to the new showings exposed since our last examination and their relation to your proposed exploration program.

I hope you will be able to meet me in Yellow Pine Sunday evening so we can discuss your proposal as it is most imperative that I be in Weiser, Idaho, Monday evening.

I will be out of the office most of the time after noon of September 5, but if the above dates are not convenient, please call me at the office September 8 or at my home after 6 p. m. September 8, 9, 10, or 16. My office phone is TEmple 8-2084 and my home phone is MAdison 4-6302.

Sincerely yours,

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

DRMacLaren:mls
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/11	Holt	500
	Freund	500
8/11	Talbutt	800
8/11	[illegible]	130
"	Johnson	110
8-14	Freund	100
8-14	gad	220
	Heaivold	500
	Hoet	

AUG 1 1 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

We are referring the subject application to you for consideration, a field examination if necessary, and recommendations.

This property was the subject of Contract Idm-E1217 (DMEA-4993), which was rescinded February 3, 1959.

/s/ George C. Selfridge (SHB)

SPHolt/gla
10-11-61
cc to: Director's Reading File
Review Committee
Docket

43683

MM 6

REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS E RATION

TO:	DATE	INITIALS
1. Mr. Selfridge		
2. Griswold		
3. Hoet		
4. File		
5.		
FROM: Talbert		

Re: OM8-6133

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: This applicant should be on "blacklist" in view of OM8a-4993 experience. He wouldn't even reply to our numerous letters in 1958.

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

M56300-59

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/11	Holt	500
	Fumich	500
8/11	Faibert	800
8/11	Selfridge	130
"	Cothern	110
8-11	Farmer	100
8-14	Gad	220
		500

AUG 1 1 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: GME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Region I, Office of Minerals Exploration, South 157 Howard Street, Spokane 4, Washington.

The Regional Office will notify you in case additional information concerning the application is needed.

For our records, please inform us which of the two banks, the First Security Bank of Idaho, Boise Branch, or the Bank of Idaho, is your bank of account.

Sincerely yours,

George Fumich, Jr.

Director

SPHolt/gla
8-11-61
cc to: Director's Reading File
Region I (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/2	Holt	500
	Griswold	500
8/3	Lethridge	120
"	Johnson	110
8-3	Turner	100
8-3	gad	220
		500

AUG 3 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

Please inform us the approximate date when we may expect to receive the additional information requested in our letter of June 29, 1961, concerning the subject application for exploration assistance.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

SPHolt/gla
8-2-61
cc to: Director's Reading File
Region I (2)
Docket

See appl. letter 8/1/61 + att. left-hand side.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Signature	Code
6/29	Hoff	500
6/29	Selfridge	120
"	[illegible]	110
6/29	Tunick	100
6/29	gad	220
		500

JUN 2 9 1961

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133 (Mercury)
T. R. Baugh
Fern Cinnabar Group
Valley County, Idaho

Dear Mr. Baugh:

To continue the processing of your application for exploration assistance at the subject property, this office needs the following additional information item for item as requested in the application form:

1.(a) Concerning financial eligibility, the letter from the First Security Bank of Idaho, Boise Office, does not constitute a denial of your request for a loan. As you noted on the reverse of the bank's letter, the denial was made orally because Mr. Snyder, a vice president, stated it was against the policy of the bank to put such refusals in writing. We suggest that you return to the bank with the request that they put their denial in writing, explaining that it is necessary for you to apply for an OME loan. If the bank will not honor this request to you, they might be willing, if you so ask, to write us confidentially, confirming their oral denial. Also please furnish a recent financial statement showing your assets and liabilities.

1.(c) You state that you will finance your share of exploration costs by supervision, accounting, and cash, but in the letters to the banks you indicate that you have exhausted your funds doing last year's work. Therefore, please state to us how you propose to finance your share of the cost.

7. We note that you propose to contract the bulldozing and drifting. Please secure and submit at least two bids for the bulldozing and the drifting.

State the size, in cross section of the proposed drifting (our usual standard is not less than 5 feet by 7 feet), also the size of the bulldozer to be used.

43683

The information requested above is not to be construed as any assurance that the Government will pass favorably upon your application for assistance in an exploration project.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

SPHolt/gla
6-29-61
cc to: Director's Reading File
Region I (2)
Docket

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

Mr. T. R. Baugh
3620 Sycamore Drive
Boise, Idaho

Re: OME-6133

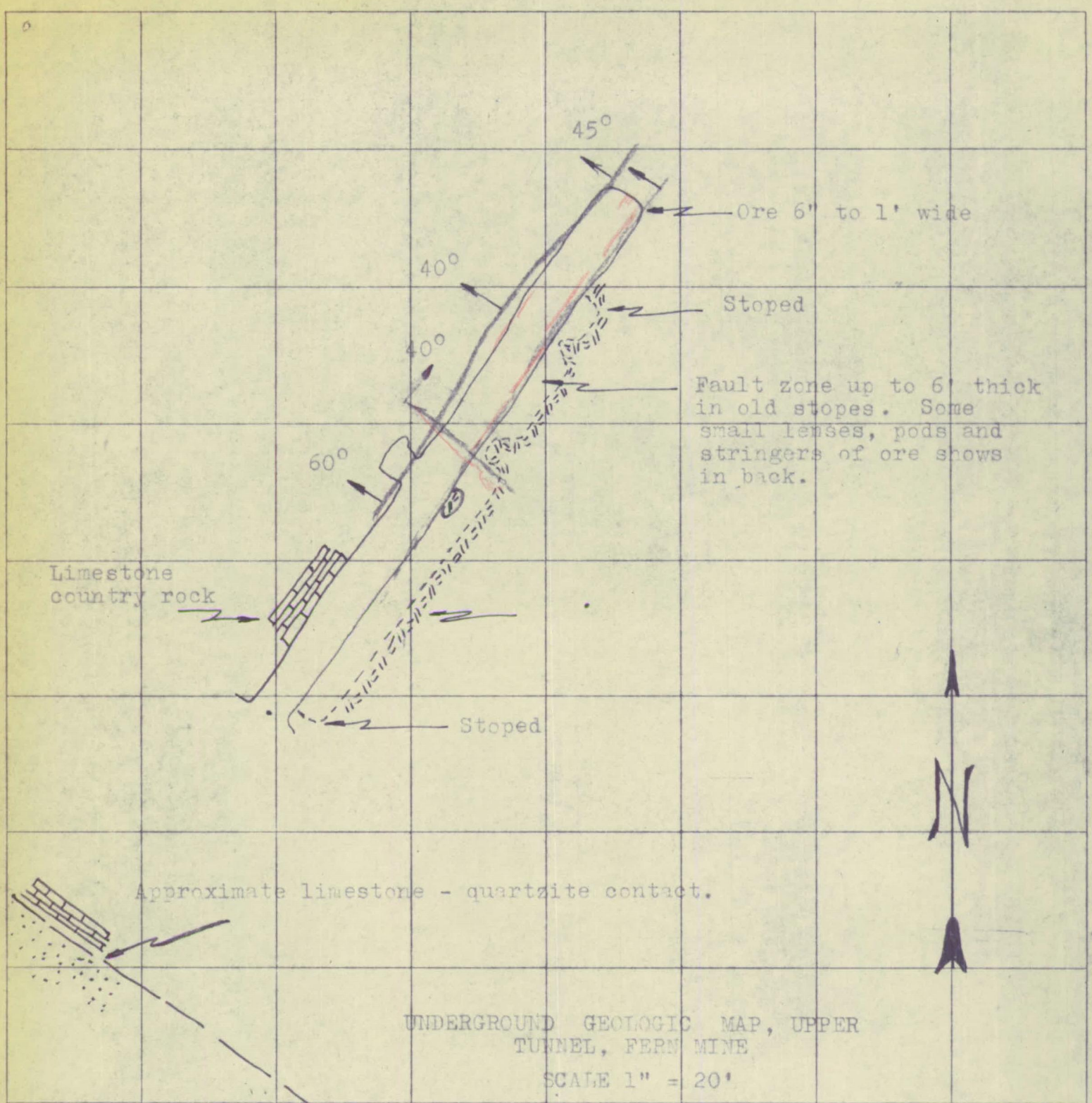
Dear Mr. Baugh:

Your application for exploration assistance, dated June 7, 1961 submitted to our office at Spokane, Washington, has been assigned Docket Number OME-6133. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region I



UNDERGROUND GEOLOGIC MAP, UPPER TUNNEL, FERN MINE

SCALE 1" = 20'

6/15/57

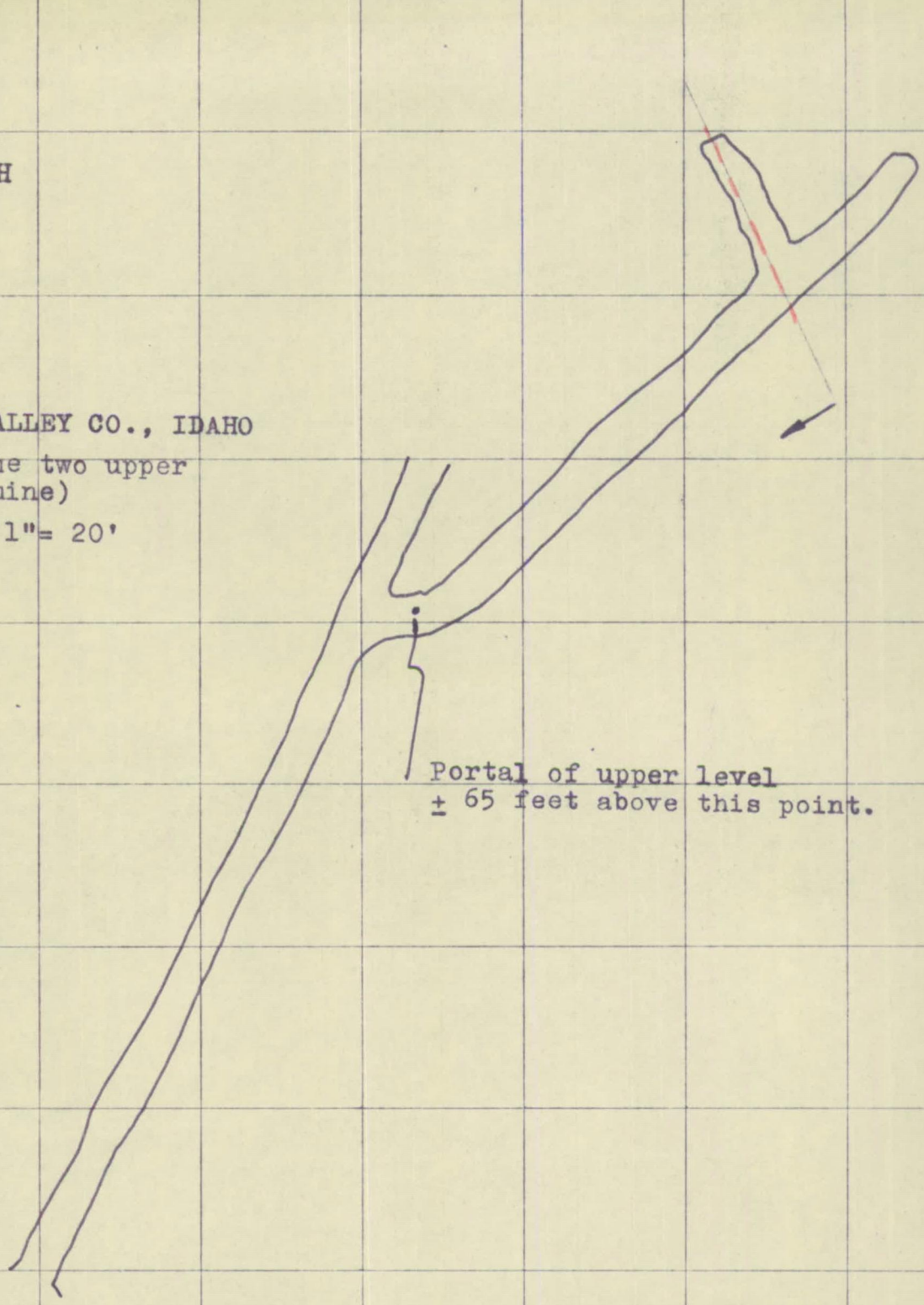
Fault

Ore in vein structure

Stope outline

ORE

"ALBANENE" No. 195M K&E CO., N.Y. REG. U.S. PAT. OFF.

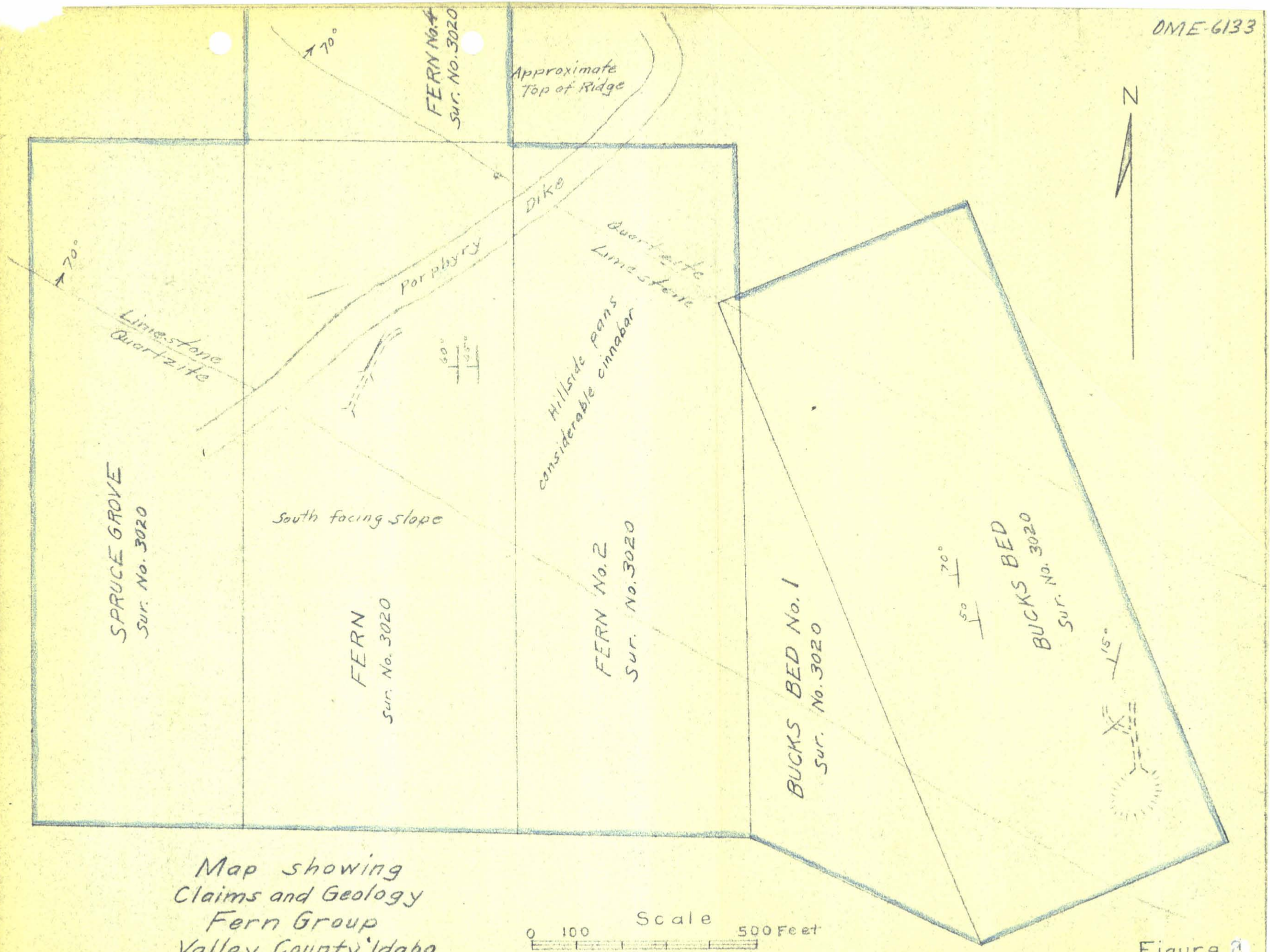


FERN MINE, VALLEY CO., IDAHO
(lower of the two upper levels of mine)
Scale: 1"= 20'

After: EE. Oberbillig, 9/28/58

"ALBANENE" No. 195M K&E CO., N.Y.

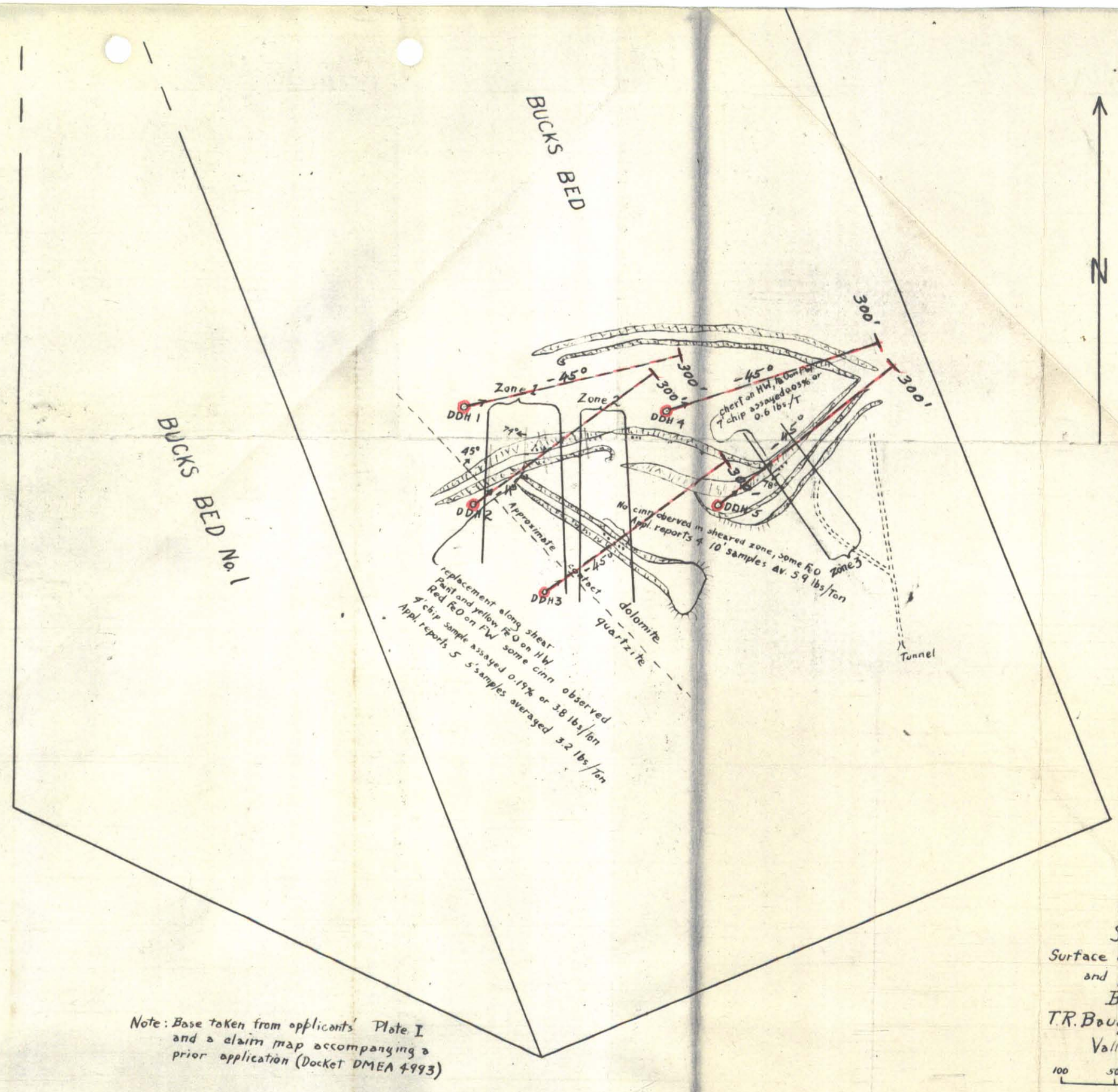
OME-6133



Map showing
Claims and Geology
Fern Group
Valley County, Idaho

Figure 2

OME-6133



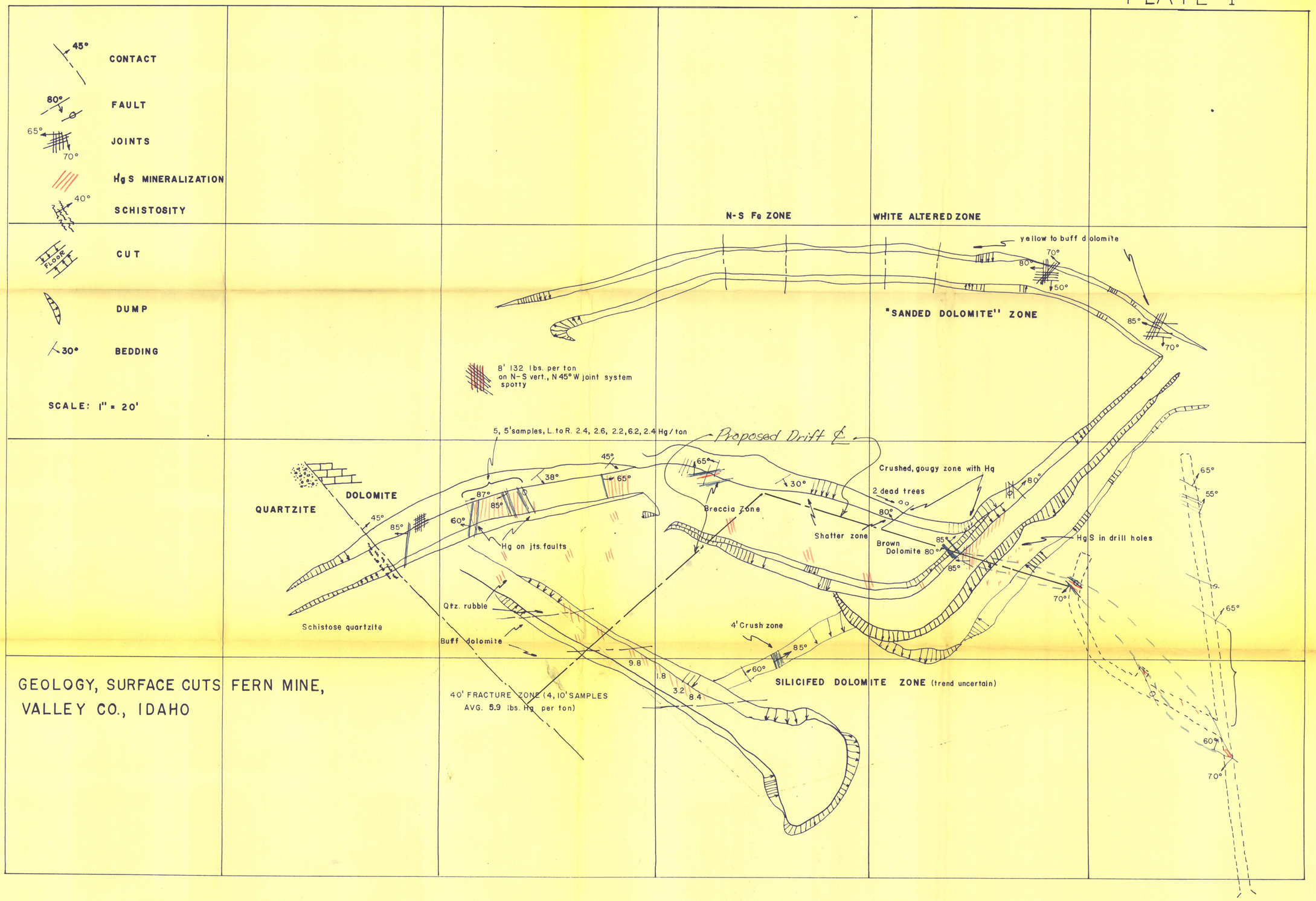
Note: Base taken from applicants' Plate I and a claim map accompanying a prior application (Docket DMEA 4993)

Sketch Showing
Surface and underground workings
and proposed diamond drilling
Bucks Bed Claim
T.R. Bough Fern Cinnabar Group
Valley County, Idaho

100 50 0 100 feet

Figure 2

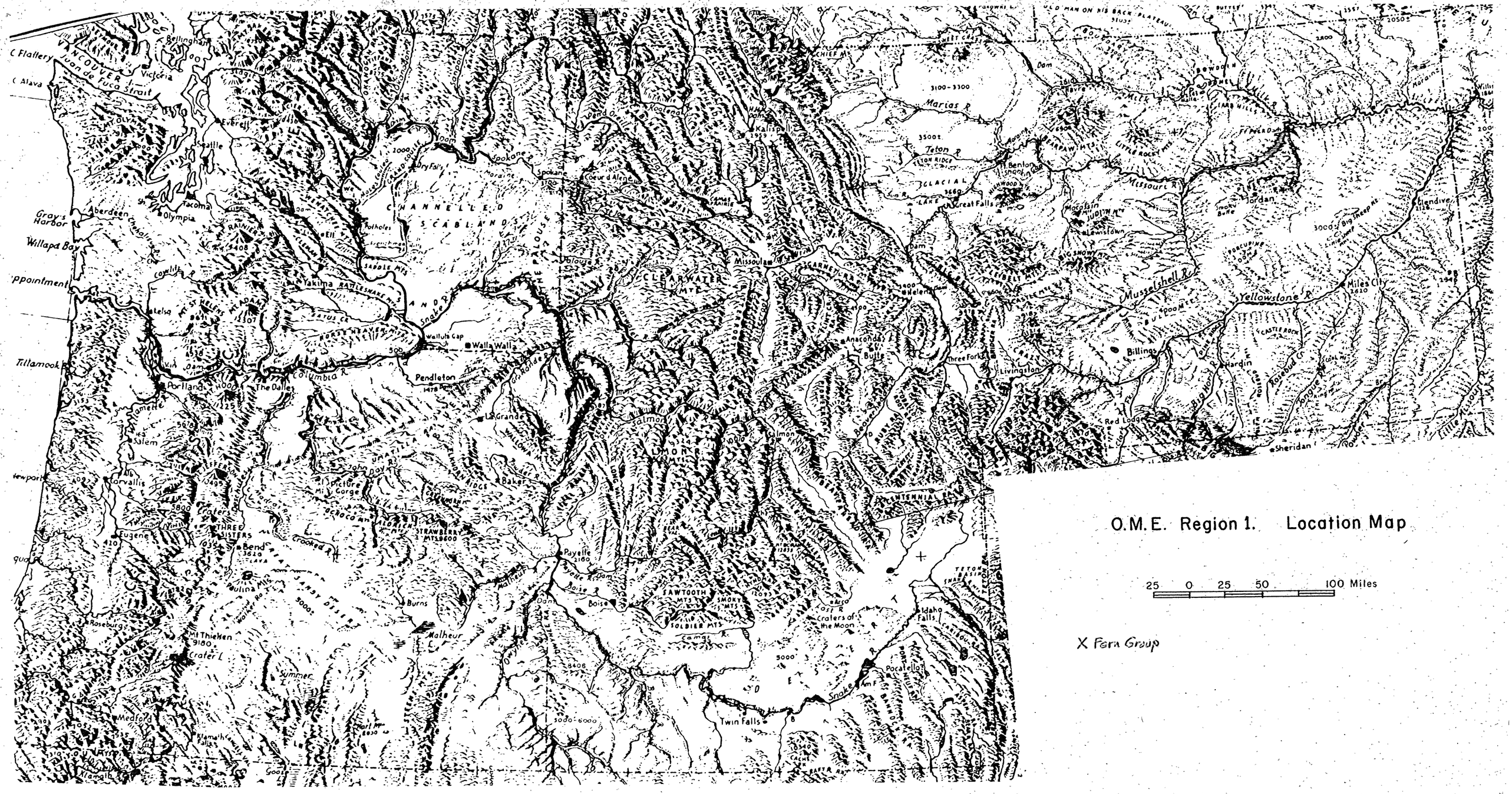
PLATE I

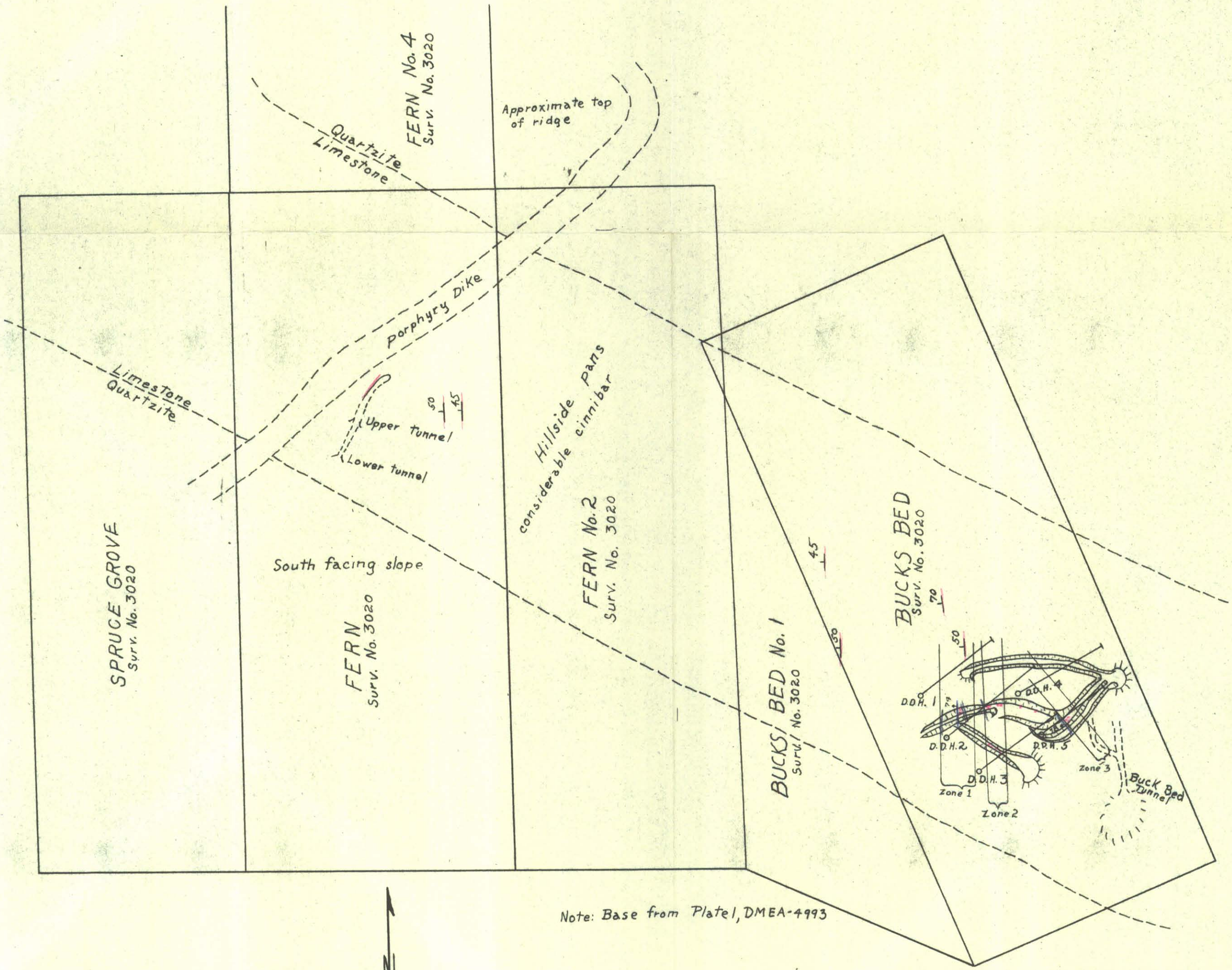


GEOLOGY, SURFACE CUTS FERN MINE,
VALLEY CO., IDAHO

BRUNTON & TAPE (17° E. DEC) W.R.W. & T.B. 6/23/60

APPROX. LOCATION PORTAL MILL ADIT
7/15/60


O.M.E. Region 1. Location Map
25 0 25 50 100 Miles
X Fern Group
Vancouver
Juan de Fuca Strait
Victoria
Bellingham
Everett
Seattle
Tacoma
Olympia
Aberdeen
Gray's Harbor
Willapa Bay
Portland
The Dalles
Columbia R.
Salem
Corvallis
Eugene
Roseburg
Medford
Klamath Falls
Klamath L.
Bend
Crater L.
Burns
Malheur L.
Summer L.
Pendleton
Walla Walla
Wallula Gap
La Grande
Baker
Spokane
Coeur d'Alene
Kalispell
Missoula
Helena
Great Falls
Benton Lake
Lewistown
Anaconda
Butte
Three Forks
Livingston
Billings
Hardin
Red Lodge
Sheridan
Miles City
Glendive
Jordan
Lewiston
Pocatello
Idaho Falls
Twin Falls
Boise
Payette
Craters of the Moon
Yakima
Ellensburg
Wenatchee
Dry Falls
Potholes
Saddle Mts
Rattlesnake Mts
Horse Heaven Hills
Mt St Helens
Mt Rainier
Mt Adams
Mt Hood
Mt Jefferson
Mt Thielsen
Mt Thielsen 9180
Three Sisters
Strawberry Mts
Picture Gorge
John Day
Crooked R.
Paulina Mts
Steens Mts
Malheur
Snake R.
Salmon R.
Clearwater Mts
Bitterroot Range
Sawtooth Mts
Smoky Mts
Soldier Mts
Camas
Teton R.
Marias R.
Missouri R.
Musselshell R.
Yellowstone R.
Big Horn R.
Rosebud Cr.
Tongue R.
Powder R.
Little Missouri R.
Big Snowy Mts
Little Rocky Mts
Bear Paw Mts
Teton Ridge
Glacial Lake
Channeled Scablands
Palouse R.
Chief Mt
Old Man on his Back Plateau
Bowdoin
Malta
Glasgow
Wolf Point
Fort Peck
Lewis & Clark Cavern
Big Sheep Mts
Porcupine Dome
Bull Mts
Castle Rock
Crazy Mts
Beaverhead Mts
Tobacco Root Mts
Gallatin Range
Madison Range
Centennial Range
Teton Basin
Snake River Plain
Bear L.
Cache Valley
Bear R.
Cache Valley
Bear R.
Pocatello
Twin Falls
Idaho Falls
Boise
Payette
Malheur
Burns
Summer L.
Klamath Falls
Klamath L.
Medford
Roseburg
Eugene
Corvallis
Salem
Portland
The Dalles
Pendleton
Walla Walla
Wallula Gap
La Grande
Baker
Spokane
Coeur d'Alene
Kalispell
Missoula
Helena
Great Falls
Benton Lake
Lewistown
Anaconda
Butte
Three Forks
Livingston
Billings
Hardin
Red Lodge
Sheridan
Miles City
Glendive
Jordan
Lewiston
Pocatello
Idaho Falls
Twin Falls
Boise
Payette
Craters of the Moon
Yakima
Ellensburg
Wenatchee
Dry Falls
Potholes
Saddle Mts
Rattlesnake Mts
Horse Heaven Hills
Mt St Helens
Mt Rainier
Mt Adams
Mt Hood
Mt Jefferson
Mt Thielsen
Mt Thielsen 9180
Three Sisters
Strawberry Mts
Picture Gorge
John Day
Crooked R.
Paulina Mts
Steens Mts
Malheur
Snake R.
Salmon R.
Clearwater Mts
Bitterroot Range
Sawtooth Mts
Smoky Mts
Soldier Mts
Camas
Teton R.
Marias R.
Missouri R.
Musselshell R.
Yellowstone R.
Big Horn R.
Rosebud Cr.
Tongue R.
Powder R.
Little Missouri R.
Big Snowy Mts
Little Rocky Mts
Bear Paw Mts
Teton Ridge
Glacial Lake
Channeled Scablands
Palouse R.
Chief Mt
Old Man on his Back Plateau
Bowdoin
Malta
Glasgow
Wolf Point
Fort Peck
Lewis & Clark Cavern
Big Sheep Mts
Porcupine Dome
Bull Mts
Castle Rock
Crazy Mts
Beaverhead Mts
Tobacco Root Mts
Gallatin Range
Madison Range
Centennial Range
Teton Basin
Snake River Plain
Bear L.
Cache Valley
Bear R.
Cache Valley
Bear R.



Note: Base from Plate 1, DMEA-4993

Geologic Map of the Fern group
Showing tunnel, trench and drill hole locations
T. R. Baugh
Valley County Idaho

200 100 0 200 Feet

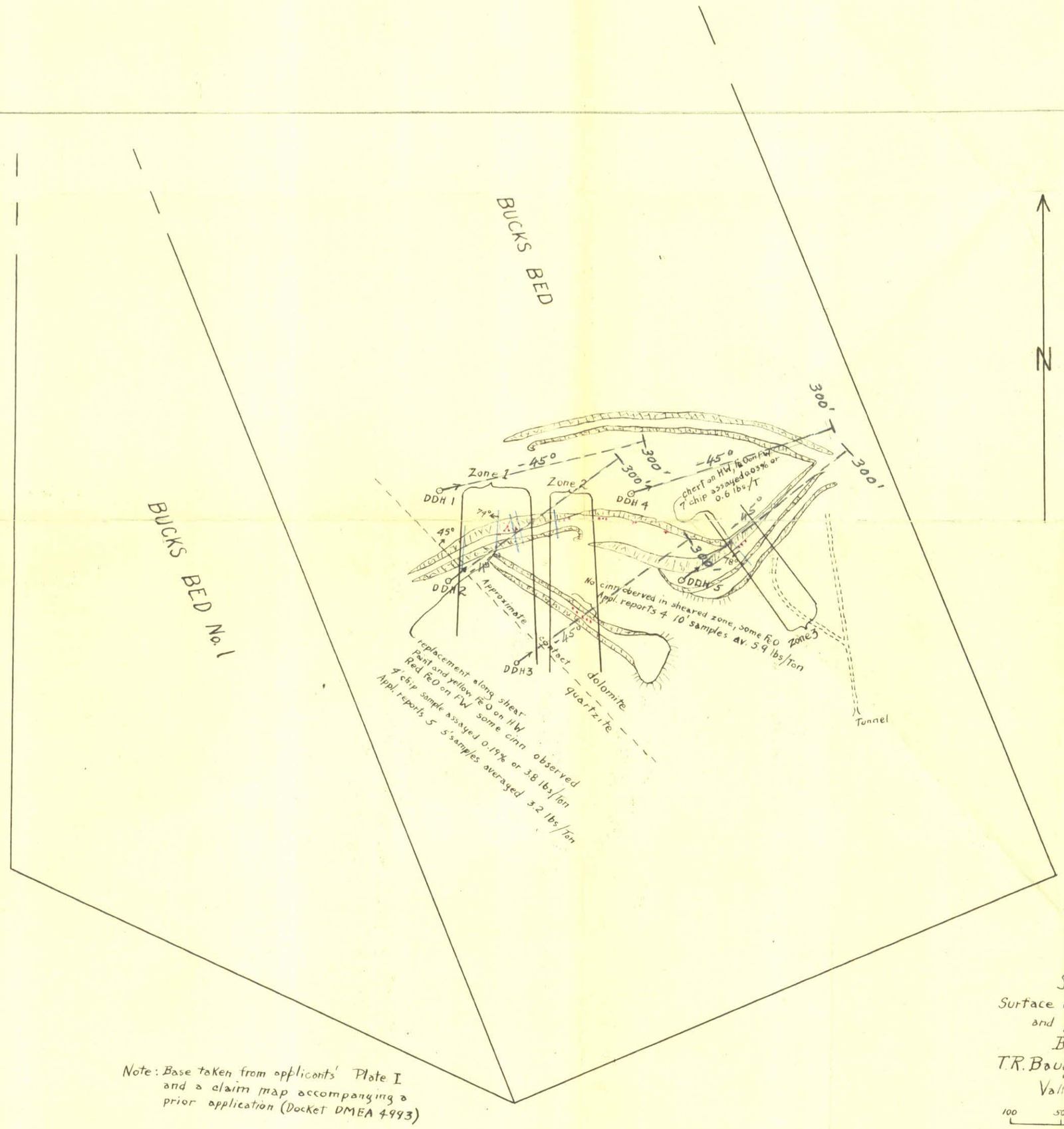
Plate 1
Sept. 1962

U.S. Department of the Interior

Docket OME 6133

Photostat area inside of pencil lines. Same scale

OME-6133



Note: Base taken from applicants' Plate I and a claim map accompanying a prior application (Docket DMEA 4993)

Sketch Showing
Surface and underground workings
and proposed diamond drilling
Bucks Bed Claim
T.R. Baugh Fern Cinnabar Group
Valley County, Idaho

100 50 0 100 feet

Figure 2

September 1961

Plate 1